

Mercer Christie Walter to be first lieutenant, Field Artillery.

Theodore John Dayharsh to be first lieutenant, Coast Artillery Corps.

PROMOTIONS IN THE NAVY

MARINE CORPS

John H. Russell to be major general commandant of the Marine Corps.

Harry Lee to be major general (temporary).

Douglas C. McDougal to be brigadier general.

John Dixon to be lieutenant colonel.

James B. Hardie to be captain.

William R. Williams to be first lieutenant.

Roger T. Carleson to be first lieutenant.

Frank G. Dailey to be first lieutenant.

Douglas C. McDougal, Jr., to be second lieutenant.

POSTMASTERS

ALABAMA

Thomas S. Christian, Alexander City.

James F. Creen, Jr., Blue Mountain.

Francis G. Rowland, Childersburg.

Lewis A. Easterly, Hayneville.

Julian J. Chambliss, Hurtsboro.

William C. Stearns, Lanett.

John W. Johnson, Langdale.

Maurice F. Law, Linden.

Jesse B. Adams, Ozark.

James R. Moody, Russellville.

Bettie T. Forster, Thomasville.

Ferne W. Rainer, Union Springs.

Roy G. Carpenter, Winfield.

ARKANSAS

William W. Harris, Earl.

Ambrose D. McDaniel, Forrest City.

Harmon T. Griffin, Lake City.

Sue M. Brown, Luxora.

Elmer McHaney, Marmaduke.

KANSAS

Samuel N. Nunemaker, Hesston.

MICHIGAN

Frank C. Jarvis, Grand Rapids.

NEW YORK

Thomas J. Hartnett, Hempstead.

Fannie Schwartz, Long Beach.

Thomas F. Clancy, Wantagh.

NORTH DAKOTA

Harold R. McKechnie, Calvin.

Anthony Hentges, Michigan.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 29, 1934

The House met at 11 o'clock a.m.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Almighty God, draw near to all who need wisdom and direction; throw Thy light upon all the scenes of our lives and give good cheer to any who may sit in darkness. Heavenly Father, Thou dost call us to a life of service without pride or fear, without self-will or murmuring, and it requires obedience to Thy holy will and law. Do Thou arm us with the might of conviction, with the sternness of principle, and with constancy of purpose. O help us to seek and to strive for the supreme gifts of life, namely, a peaceful conscience, a pure heart, and a clean character. Blessed Lord, we rejoice that behind Thee there is supernal glory and with Thee there is all the fullness of beauty, mercy, and love. O God, we wait; we pray in reverent humility as we approach the dark of Calvary's Cross. Oh, may we bow down and feel the sovereignty of the uttermost depths of divine love. At this altar of heaven's and earth's

utmost sacrifice, every sin of human experience is condemned and every inspiration that saves flows from our Savior's breast. O Immortal Love: it tempers the fiery law, in it faults are forgiven, sorrows are borne together, and struggles are shared. Oh, let the whole earth move toward its majesty and power. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate having proceeded to reconsider the bill (H.R. 6663) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1935, and for other purposes," returned by the President of the United States to the House of Representatives, in which it originated, with his objections, and passed by the House on a reconsideration of the same, it was

Resolved, That the said bill pass, two thirds of the Senators present having voted in the affirmative.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7599) to provide emergency aid for the repair or reconstruction of homes and other property damaged by earthquake, tidal wave, flood, tornado, or cyclone in 1933 and 1934.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7478) to amend the Agricultural Adjustment Act so as to include cattle as a basic agricultural commodity, and for other purposes.

SUGAR CONTROL

Mr. KLEBERG. Mr. Speaker, by direction of the Committee on Agriculture, I ask unanimous consent that that committee may be allowed to sit during sessions of the House today and tomorrow and that it may file not later than midnight tomorrow a report on the bill H.R. 8861, to include sugar beets and sugar cane as basic agricultural commodities under the Agricultural Adjustment Act, and for other purposes.

Mr. KNUTSON. Mr. Speaker, reserving the right to object, is the gentleman referring to the bill H.R. 8861, introduced by the gentleman from Texas [Mr. JONES] on yesterday?

Mr. KLEBERG. Yes.

Mr. KNUTSON. And are we to understand that the Committee on Agriculture will conclude hearings on this important legislation in 2 days?

Mr. KLEBERG. The hearings have been concluded.

Mr. KNUTSON. Are not the sugar people to be given an opportunity to be heard?

Mr. KLEBERG. I may say to the gentleman from Minnesota that the hearings on the bill have been concluded; and my pending request is submitted by the unanimous direction of the entire committee, now in session.

Mr. KNUTSON. Over how long a time did the hearings extend?

Mr. KLEBERG. I cannot give the gentleman the exact number of days, but the hearings extended over the past 2 or 3 weeks.

Mr. VINSON of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. VINSON of Kentucky. Do I understand the gentleman from Minnesota, who has shown interest in the sugar-beet question, wants to prevent a committee of the House from considering this important question?

Mr. KNUTSON. I want to know whether or not this matter has had proper consideration in the committee; and I am asking for information.

Mr. KLEBERG. I assure the gentleman that it has.

Mr. KNUTSON. I would like to get the opinion of the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Speaker, is the bill under discussion H.R. 8861, the bill introduced yesterday afternoon by the gentleman from Texas [Mr. JONES]?

Mr. KLEBERG. While I cannot give the gentleman the exact number, that is the bill.

Mr. WOODRUFF. Do I understand the gentleman to say that the committee has given this bill the proper amount of consideration?

Mr. KLEBERG. I may say that the committee has given it full and complete consideration for 2 or 3 weeks.

Mr. WOODRUFF. I read this bill this morning, and I shall be greatly surprised if the gentleman assures me now that every member of this committee has even read this bill.

Mr. KLEBERG. I may suggest to the gentleman from Michigan that this bill is the actual result of over 3 weeks' exhaustive study and hearings on this matter.

Mr. WOODRUFF. Do I understand the gentleman from Texas to say that the bill has the approval of the members of the House Committee on Agriculture?

Mr. KLEBERG. I am asking permission now for the committee to sit during the sessions of the House today and tomorrow in order that the committee may go over the bill again and see whether it should be changed or amended in any detail.

Mr. WOODRUFF. Mr. Speaker, reserving the right to object, in view of the fact the committee is inclined to give this bill further consideration than it has already received, because it could not already have received much consideration inasmuch as it was introduced only yesterday afternoon, I do not intend to press my objection but would like some information.

Mr. KLEBERG. I may suggest to the gentleman that the bill to which he refers happens to be in accordance with the procedure of representative government, and the committee joined in ordering my request today by the chairman of the committee.

Mr. WOODRUFF. Does the gentleman go so far as to assure the House that the provisions of this bill meet the approval of every member of the Committee on Agriculture?

Mr. KLEBERG. I might suggest to the gentleman from Michigan that the unanimous consent I have sought is asked by direction of the committee and for the purpose of giving the committee time in which to go over this subject again, although it has already been gone over in great detail. In addition, may I say to the gentleman from Michigan, it is important to all interested in sugar production and the sugar industry of the United States to have this bill passed as expeditiously as possible.

Mr. WOODRUFF. I do not agree with the gentleman. I still reserve the right to object, Mr. Speaker.

Mr. KNUTSON. Let us have a little more information.

Mr. WOODRUFF. Mr. Speaker, reserving the right to object, I think perhaps we can expedite business if the gentleman will be a little patient. The gentleman having said that the members of the Committee on Agriculture desire more time, not having given this particular bill the consideration they wish to give it, I shall not object.

Mr. KLEBERG. I have previously made the statement that the bill is the result of a most complete and exhaustive study. Hearings were held on this question and I am here representing the committee in making this request.

Mr. WOODRUFF. The gentleman has addressed himself to me.

Mr. VINSON of Kentucky. Mr. Speaker, I ask for the regular order.

Mr. KNUTSON. The regular order would be a no quorum.

Mr. BYRNS. If the gentleman wants to oppose what the sugar-beet representatives want he may make a point of no quorum.

Mr. KNUTSON. I want to get some information. I have looked this bill over and it is a drastic piece of legislation. May I ask the gentleman from Texas if this bill was drafted by the Committee on Agriculture?

Mr. KLEBERG. I repeat that this bill is the result of exhaustive hearings and the bill we have under consideration we are anxious to report not later than tomorrow night.

Mr. WOODRUFF. This bill was not drawn by the Committee on Agriculture, it was drafted in the Department of Agriculture and sent up here to be introduced by the gentleman from Texas [Mr. JONES].

Mr. KLEBERG. I can only speak for one member of the committee, so far as the gentleman's statement is concerned, but I represent the committee insofar as this unanimous-consent request is concerned.

Mr. MCGUGIN. Mr. Speaker, reserving the right to object, may I ask the gentleman how long the hearings were?

Mr. KLEBERG. I could not give the gentleman the exact number of days, but at least 2 or 3 weeks.

Mr. MCGUGIN. The committee has had it long enough to reach the determination that the ax is to be laid to the American sugar industry.

Mr. KLEBERG. The gentleman is, of course, entitled to his unsupported opinion. He will oppose relief, I am sure.

Mr. VINSON of Kentucky. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is demanded. Is there objection to the request of the gentleman from Texas? There was no objection.

NAZI PROPAGANDA INVESTIGATION

Mr. KRAMER. Mr. Speaker, I present a privileged report on House Resolution 199 (Rept. No. 1103) from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 199

Resolved, That the expenses of conducting the investigation authorized by H.Res. 198, incurred by the special committee appointed to investigate Nazi propaganda activities in the United States and related questions, acting as a whole or by subcommittee, not to exceed \$25,000, including expenditures for the employment of experts, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof, and approved by the Committee on Accounts; and the head of each executive department is hereby requested to detail to said special committee such number of legal and expert assistants and investigators as said committee may from time to time deem necessary.

With the following amendments:

In line 5, strike out the figures "\$25,000" and insert the figures "\$10,000", and at the end of the resolution add the following: "that the official committee reporters shall be used at all hearings held in the District of Columbia."

Mr. SNELL. Mr. Speaker, reserving the right to object, I understand this resolution is presented with the full approval of the Committee on Accounts?

Mr. KRAMER. Yes.

Mr. SNELL. And nothing is said about the number of investigators to be employed?

Mr. KRAMER. No.

Mr. SNELL. Of course the Committee on Accounts is justified in bringing this resolution in because the House itself authorized the investigation, so I do not see that there is anything else to be done about the matter.

Mr. KRAMER. Mr. Speaker, I move the previous question on the amendments and the resolution.

The committee amendments were agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE SO-CALLED "SOLDIERS' BONUS"

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a radio address which I made over the radio last night.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by myself over the General Broadcasting System's

network March 28, 1934, at 9:30 p.m., on the subject The so-called "Soldiers' Bonus":

Ladies and gentlemen of the radio audience, March 12, 1934, the House of Representatives by a vote of 295 for, to 125 against, passed the bill H.R. 1, providing for the full and immediate payment in cash of the adjusted-service certificates. This bill is now pending in the United States Senate, and it is not known when that body will act upon it.

NOT A BONUS—A DEBT

This proposal is often referred to as the "bonus bill." An adjusted-service certificate does not represent a bonus; it represents a debt that has been acknowledged by Congress to a veteran of the World War for services rendered. Three million six hundred thousand World War veterans hold these certificates; the average value is \$1,000. About 85 percent of the certificates have been pledged for loans; there is a remainder due at this time, after deducting prior loans and interest to October 1, 1931, of about \$2,200,000,000.

The term "soldier bonus" is a misnomer; it is a soldier debt. If you favor paying these certificates never use the word "bonus." You condemn the cause you advocate if you do. The words "adjusted-service certificate" should be used instead.

In order to persuade the Congress of the United States to enact a law providing for the full cash payment of the adjusted-service certificates the burden is upon us to show (1) that the face value of each certificate is really past due, although payable in 1945, and (2) that the Government can pay the debt at this time without detriment to the general welfare. We made that showing in the House of Representatives on March 12, last, when the bill received the approval of that body. We showed further that the payment of the debt at this time would benefit all the people of the Nation and promote the general welfare.

CERTIFICATES DUE OCTOBER 1, 1931

When the war was over bills were introduced in Congress providing for the adjustment of the pay of those who were in the military service. The private soldier drew \$30 a month during his service. From this pay deductions of from \$10 to \$20 a month were often made for his dependents, \$6.60 a month was deducted for a life-insurance premium; he also paid for altering and mending his clothing and shoes, as well as other incidental expenses. After thorough and deliberate consideration Congress declared that the lowest paid civilian laborer during the war received between \$1 and \$1.25 more per day for services than the veteran received. Congress, on three different occasions passed bills confessing a debt to the veterans for adjusted pay. The amount agreed upon was \$1 additional for each day one served in the United States and \$1.25 a day additional for each day one served overseas. The last bill which passed Congress became a law, but instead of making the payment in cash an adjusted-service certificate, or an I O U, marked "negotiable", payable in 20 years, was given to the veterans; the ones who were entitled to receive \$50 or less were paid in cash. In this bill we are not asking for the 25-percent increase for waiting, which Congress said was reasonable. That part is eliminated. If a veteran is given the \$1 and \$1.25 a day as of the time the services were rendered, with a reasonable rate of interest from that time, he was entitled to an amount equal to the face or maturity value of his adjusted-service certificate October 1, 1931. Therefore the certificates were really due October 1, 1931, although made payable in 1945.

GOVERNMENT'S MONEY PLANT

We have in Washington, D.C., a modern, up-to-date manufacturing plant employing 4,500 people. It is the Bureau of Engraving and Printing. Each day the Bureau of Engraving and Printing turns out new bills—paper money, the same kind of money you are using. Eighty percent of all the money is paper money. The Bureau of Engraving and Printing turns out each year between three and five billion dollars of new crisp greenback money.

It is true that a large amount of this money is to replace old worn-out bills, but a substantial part of it is new additional money that is being printed for the national banks and Federal Reserve banks when they deposit Government bonds with which to get that money.

I wish somebody would explain to me how it is safe and sound, and you are not jeopardizing the gold standard or gold-reserve standard or the sound-money system for the banks to take Government bonds, deposit them with the Secretary of the Treasury, and get money in return for them, and yet it would be unsound and unsafe for the veterans holding Government obligations to do the same thing.

SAME KIND OF MONEY NOW IN CIRCULATION

This bill H.R. 1 provides that United States notes shall be issued to pay these certificates. That is the same kind of money that is in circulation today. It will be just exactly like the money you use every day. It will be backed in identically the same manner as the present United States notes. The Gold Standard Act of 1900 will apply to this money. This means that every dollar of the money that is issued will be backed by all the gold in the general fund of the United States Treasury, and we have in the general fund of the Treasury today \$3,126,000,000. You will recall that a while back, in connection with revaluation, as one witness expressed it, the Government reached out into thin air and drew down almost \$3,000,000,000 in free gold. This money is in the Treasury of the United States, unallocated, unencumbered,

and unobligated. You can lay \$2,000,000,000 aside for the stabilization fund and still have enough remaining to back this money with a 40-percent gold reserve and still have plenty of gold left.

So, having the gold to back the money to pay, and the debt can be paid without a bond issue, without increasing the taxes, without incurring any other obligation in any fashion, do not you think that we are fortunate that we can put the money into circulation in this manner where it can benefit everybody?

HOW DOES MONEY GET INTO CIRCULATION?

The Government, under existing law, sells a bank a thousand-dollar bond drawing 3½-percent interest, or \$33.75 interest for a year. The bank immediately redeposits the bond with the same United States Treasury that sold it to the bank, and receives in return therefor \$1,000 in new money. Fifty dollars of the money is left on deposit with the Treasury. The bank gets the use of the money and also gets interest on the bonds deposited. There is a small charge of one half of 1 percent against the bank for expenses in connection with the issuance and reissuance of the money. Therefore, banks can take Government obligations due in 1945 and receive new money in return for them, and at the same time get interest on the obligations. Why is it not fair to let the veteran take his obligation, made payable in 1945, and receive money in a similar manner? There is no difference in the two obligations. They are both made payable in 1945; they are both backed by the credit of this Nation; they are both obligations of this Nation. Money purchased one, services purchased the other. If it is fair for the bank, it is fair for the veterans.

IF THIS BILL IS ENACTED

First. It will save the Government more than a billion dollars, or \$112,000,000 a year for 12 years. It will not cost the taxpayers one cent, but will save them over a billion dollars.

Second. It will save the Government more than \$10,000,000 in administration expenses of the Adjusted Compensation Act between now and 1945.

Third. It will pay a debt heretofore confessed by the Government to the veterans for services rendered.

Fourth. It will be granting to the veterans the right to deposit a Government obligation and receive in return therefor new currency, the same right that is now enjoyed by Federal Reserve banks and all national banks.

Fifth. It will prevent the veterans from losing a valuable equity by releasing them from the payment of compound interest on their loans. Veterans who have borrowed 50 percent under the present law will have very little remaining in 1945. It is not right for the Government and the banks to consume these valuable equities by requiring the veterans to pay compound interest on their own money.

Sixth. It will require no bond issue, no increase in taxes, no additional interest payment by the Government. The debt must be paid some time. Everybody will be helped if it is paid now.

Seventh. The Treasury holds in the general fund \$3,126,000,000 in gold. It is unencumbered. This does not include the gold owned by the Federal Reserve banks. This is sufficient gold to issue \$8,000,000,000 in new currency without reducing the gold reserve less than 40 percent. No nation on earth has ever claimed that more than a 40-percent gold reserve as a reserve for issuing money is required.

Purchasing power must be placed in the hands of the masses. In this way it can be distributed quickly without the possibility of graft or favoritism. It is the best plan that has been proposed to be used as a vehicle to convey additional money into the hands of those who will buy goods. It will start the country back on the road to recovery.

EVERYBODY BENEFITED

The money will go into every nook and corner of the Nation. It will increase the per capita circulation of money about \$18. Every community will get a share. It will go to every class, race, and creed; every occupation, avocation, and trade will be benefited; it will be deposited in the banks, which will increase the reserves of the banks and make credit easier to obtain. This money will be spent, thereby causing an expansion of consumption; it will not be hoarded but will immediately go into the channels of trade and production. It will benefit the general welfare as well as the veterans. It will provide buying power for the people.

Do not overlook these facts:

First. The question of buying power is the greatest question confronting us.

Second. Our problem is not so much overproduction as it is underconsumption. If the people of America and the world had the buying power to purchase what they actually need of the comforts and necessities of life it is very doubtful that we would have overproduction of any commodity.

Third. Therefore any proposal that will distribute buying power should receive serious consideration.

Fourth. Ex-United States Senator Robert L. Owen of Oklahoma, a former national banker and framer of the Federal Reserve Act, recently pointed out in a letter to Senator FLETCHER, chairman of the Committee on Banking and Currency in the Senate, that there has been a shrinkage and contraction of the currency of \$1,600,000,000 during the past 12 months; there has been a contraction of commercial checking deposits of \$20,000,000,000 since the depression began; that the effect of this contraction has been to destroy the value of property in terms of money and to give money a very extraordinary value in terms of property; that banks, under these conditions, are apparently unable or unwilling to expand these deposits by loans and to restore the volume of

credit which we previously had; that the Government alone can expand the currency money to replace the check money contracted. I hope you read Senator Owen's statement in full. It appears in the CONGRESSIONAL RECORD of March 22, at page 5090.

THE REAL REASON FOR OPPOSITION

Let me tell you the real reason the payment of these certificates in new money is opposed. The ones who oppose it will tell you that \$2,200,000,000 is not too much money to put into circulation at this time; they will also tell you that the method of payment is sound and is not in violation of governmental policies, but they tell you that if Congress ever commences to issue money in this way, it will probably continue to issue money instead of tax-exempt, interest-bearing bonds—that it would be a bad precedent—that bonds instead of money should be issued so that the interest burden will act as a check on the issuance of Government obligations. Further, that banks, insurance companies, and other concerns need interest-bearing, tax-exempt Government obligations to keep their surplus funds invested in. This argument is as imbecilic as our present policy of issuing and distributing money is idiotic.

ACTUAL MONEY INSTEAD OF BONDS

One of these days the American people will consider the question of Government bonds and Government currency at the same time. When they do, as Thomas A. Edison said, there will be no more tax-exempt, interest-bearing bonds issued by the Government. Money will be issued instead. Any government that can issue a dollar bond, interest bearing, that is good, can issue a dollar bill that is not interest bearing that is good.

The banks of the Nation are loaded to the brim with Government bonds. What incentive have they to loan money to industry when the Government is keeping them up? If they need more money to buy more Government bonds they can deposit a part of the Government bonds on hand and get it.

DIEHARD REACTIONARIES

I know the argument made by the diehard reactionaries against a proposal to issue currency instead of bonds. They will say that the issuance of so much money will cause wild inflation. We can control that feature. Under the present system banks can issue 10 credit dollars to every one actual dollar in its possession. As we increase the money supply we can change the banking requirements so that they cannot issue so many credit dollars to every dollar. If we were to gradually pay off the national debt with new money we could change the banking laws so that the banks could not issue more than two credit dollars to every one dollar and thus avoid undue inflation. These same reactionaries will tell you that it is perfectly safe and sound for them to issue credit dollars to the same amount. There is a considerable difference to the people in credit money, bankers' money, and money issued by the Government. Someone is paying interest on the bankers' money or credit every day it is outstanding; no one is paying interest on money issued directly by the Government while it is outstanding. In 1932 our people's interest burden was 10 billion dollars out of a national income of only 40 billions.

IDiotic MONEY SYSTEM

Most of the currency in actual use and circulation today is Federal Reserve notes. They are issued to the 12 Federal Reserve banks by the Government. I have in my possession a Federal Reserve note issued to the Federal Reserve Bank of Richmond, Va. It is for \$10; it was made at the Bureau of Engraving and Printing here in Washington; it looks like what is known as a "greenback." Did this bank pay the Government anything for this note? Yes; about 26 cents a thousand dollars worth, the cost of printing. It also deposited some of the bank depositors' gold and eligible paper as security. Does this bank agree to redeem this note? No; the Government printed on it this language, "The United States of America will pay to the bearer on demand \$10." Therefore the Government agrees to redeem it; it represents a blanket mortgage on all the property of all the people of this Nation, and further it represents a first mortgage on the incomes of all the people. Does the Government charge this bank anything for the use of this great privilege? Not a penny; section 16 of the Federal Reserve Act states that the bank shall pay an interest charge—seems to be mandatory—but the Federal Reserve Board set the zero rate of interest which is the prevailing rate at this time. These institutions are also exempt from all taxes except on their real estate. Who owns Federal Reserve banks that have this great privilege? The member banks own them; not a penny of stock is owned by the Government or the people.

Every dollar of money acquired in this way may be used by these banks as a reserve for the issuance of 10 additional credit dollars to the people who pay interest on it every day it is outstanding. The Federal Reserve bank of New York has purchased \$796,755,000 of Government interest-bearing tax-exempt securities. It paid Government credit for these securities. The Government continues to pay interest to this bank on these securities although they have been purchased with Government credit. If you were to give someone the money to pay off the mortgage on your home would you continue to pay interest on the mortgage after your agent had fully paid the amount due the holder? That is what the Government is doing. All 12 of the Federal Reserve banks hold \$2,431,895,000 of Government securities purchased in a similar manner.

The Constitution of the United States says that Congress shall coin money and regulate its value. This great privilege has been farmed out to a few large bankers. We want Congress to regain

and exercise this power. The issuance of the \$2,200,000,000 to veterans in payment of this debt will be a long step in that direction.

RECIPROCAL TRADE AGREEMENTS

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H.R. 8687, with Mr. PARSONS in the chair.

The Clerk read the title of the bill.

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, tomorrow happens to be Good Friday, and I suppose it would be apropos to preface what I have to say with an allusion to the story of the Good Samaritan. You will remember the gentleman who went down the road from Jerusalem to Jericho. The priest passed him on one side and the Levite on the other. Then came the Good Samaritan, and if I remember my scriptural language correctly, it says, "He came where he was". There were no brass bands. There was no heralding. He just came where he was. I want to approach my consideration of this matter in the same fashion by coming right where it is.

After all, this is nothing more than an effort to find an outlet for our surplus agricultural commodities. I live right in the heart of the Corn Belt, where we market corn by the bushel and by the gallon, and therefore I am vitally interested. I am also interested in the industries in my district. May I point out what I deem to be some of the weaknesses of this bill which seeks to confer so much power upon the Chief Executive, with the possibility of prejudicing such industries in my district as might be deemed inefficient. This may seem like a sectional appeal, and yet I believe that both industry and agriculture in all other districts in the Nation are affected in the same manner and in the same proportion as in the Sixteenth District of Illinois.

First, let me reaffirm my interest in agriculture and say that prosperity begins with the soil. I yield to no man in my desire to increase farm prices and bring prosperity to the land.

This bill seeks to bring about higher prices by finding a foreign demand or outlet for surplus agricultural products. Create a demand which approximates supply and prices will rise. That is elemental.

So academically stated, the matter is simple enough. However, in practice it is not so simple. There are obstacles. First, I believe the potentialities of foreign outlets are highly overrated. Look at the report released on Monday of this week by the A.A.A. a formidable 400-page report, and note on page 46, how wheat production since 1895 has increased 80 percent. This does not include China or Russia. Population has not kept pace with production of foodstuffs. Note that our exports have decreased in direct proportion to the increase of production in Europe and other continents. Note the comment that other nations have and still are expanding production to acquire a condition of self-sufficiency. Precisely what hope have we of finding much of an outlet under such conditions?

On page 99, note that German hog production doubled since 1921 and in 1934 was the highest on record. Note also that Denmark increased hog production to nearly 5 times the post-war level. This dissipates all mystery as to what happened to our export trade in lard and pork. What advantageous bargains can we drive under such conditions with other countries for agricultural surpluses. None that I can envision. But we can open to them the greatest free market in the world and take a chance on imperiling our own living standards.

Let us assume that there are some substantial outlets. Then what? Manifestly other nations will ask us to accept manufactured goods in return. Mr. Wallace, who bulks

large in administration matters and for whom I cherish nothing but respect, states the case succinctly enough. In his brochure on "America Must Choose" he states that his leanings are toward internationalism, that international planning calls for adjustments in factories, and that some factories must be retired. Which shall be retired? He says those that are least efficient. Who is to determine? Obviously, the President by the power conferred in this bill will determine. I do not say he would consciously prejudice or sacrifice any industry but think of the uncertainty created by conferring such power.

In my district is a wire mill which suffers from competition by Belgium wire manufacturers. In fact, low wage scales and inadequate duties make it possible for Belgium wire producers to pay the duty, sell through mail order outlets and considerably undersell the factory in my district.

In that same district is a corn products plant which, as a reward for complying with the N.R.A., and doing its utmost to create a market for American corn, must suffer from competition with millions of pounds of imports of sago, arrowroot, cassava, and tapioca starch which can be so cheaply raised and processed in Java and Santo Domingo. Are they to be retired?

Distillers who seek to aid the farmer by processing corn into spirits are at the mercy of heavy imports of blackstrap molasses and find it difficult to compete in price. Are they to be placed on the block?

A pottery in my district suffers from Japanese competition despite the fact that they comply with the N.R.A. and seek to create more employment in their plant. I might interpose at this point that General Johnson, the sergeant of recovery, indicated in the pottery code, when transmitting it to the President, that pottery was not a major industry because it did not employ over 50,000 persons. One might cherish some misgivings about the entire pottery industry in view of that statement. Are they to be harmed or aided by higher tariffs? Particularly, when pottery imports from Japan increased by 69 percent in 1933 over 1932.

Just how will agriculture be benefitted by taking away one domestic customer in the person of an American worker and substituting a foreign customer. It would be an intriguing performance but not very salutary, or helpful. Unless they are given proper protection, the time will come when such industries can no longer exist against cheap foreign competition and those now gainfully employed will cease to be purchasing consumers of farm products in the same proportion as they now are.

Mr. MAY. Will the gentleman yield?

Mr. DIRKSEN. For a brief question; yes.

Mr. MAY. Then, I take it, the gentleman is in favor of giving the President the power to exclude these products by raising the tariff on them under the power conferred in this bill?

Mr. DIRKSEN. Yes; if it were so used but the traditional policy of the party is against such use. There will be no danger of raising rates. The danger lies in lowering rates. It will be on the side of lowering rates to find benefits to agriculture, which I favor, but which I am convinced cannot be found.

I am as much if not more interested in the farmer than in industry because of the emergency condition of the farmer and because of the need of rebuilding his purchase power. We have heard so much speculation as to what is wrong. Some say overproduction. Others say underconsumption. I incline to the latter view. I am like the little colored boy who sat among a pile of watermelons, with distended stomach, unable to eat any more. Some kindly gentleman came along and asked, "What's the matter, too much melon?" The little boy said, "Nope, too little nigger." [Laughter.]

That is it. Too little consuming capacity. What has happened to it during these last 20 years? For one thing a decrease in the per capita consumption of wheat amounting to 1 bushel per person or around 120,000,000 bushels per year. A decrease in the per capita consumption of meat of

about 13 pounds per person per year. That is another outlet for grain taken away. A slowing up of population increase. In 1920 the excess of births over deaths per 1,000 was 10.6; in 1931 it was but 6.9. There has been greater efficiency in the feeding of livestock so that it requires less feed to achieve the same market weight as in previous years. Finally, there is the frightful displacement of horses and mules by trucks, tractors, and cars so that 35,000,000 acres with a production potentiality of 875,000,000 bushels of grain, which formerly raised fuel for farm and draft animals, now goes into surplus. Supply has increased, demand has decreased, and prices have fallen. It is not a mystery.

Foreign trade can help us but very little, and for that little we are willing, if we pass this bill, to invite them to send manufactured goods into our market and further aggravate conditions. It will retard instead of aid recovery.

Now it is only fair to suggest that I should offer some alternative unless I believe in the philosophy of defeatism and resignation to the inevitable. That is a fair and proper suggestion. Here is my suggestion:

First, stop imports of such products as are in competition with the farmer. Imports of corn are practically nil. But that is not the difficulty. The trouble lies in imports of starch, which is a derivative of corn. As much as 180,000,000 pounds per year has been imported, equal to 9,000,000 bushels of corn. Think of it, and it comes in duty free. Now this bill does not permit the transfer of free items to the dutiable list or of dutiable items to the free list. Therefore the farmer gets no benefit so far as starch importations are concerned.

Next, embargo all blackstrap molasses except such quantity as is necessary to supply manufacturers for mixing with feeds. As much as 300,000,000 gallons have been imported in a single year for conversion into alcohol, both for commercial and beverage purposes, thereby replacing corn. Assuming that feed manufacturers require 100,000,000 gallons, the other 200,000,000 gallons at the rate of about 6 gallons being equivalent to a bushel of corn would displace 33,000,000 bushels of corn. Think of that. Talk about foreign markets! Let us first save our own market. In 1932, out of 146,000,000 gallons of alcohol produced in this country, 124,000,000 was produced from blackstrap molasses. It is time that kind of hoodwinking of the American farmer was stopped.

Finally, let us convert corn and other grains into anhydrous alcohol and compel its use in gasoline as motor fuel. A 5- or 10-percent mixture would be sufficient to take care of all the agricultural surplus of this Nation and constitute a steady market for years to come. It is time we were recognizing the fact that agriculture is a chemical industry. Instead of telling the farmer what he cannot raise, let us be a bit more positive and tell him what he may raise. If we must have professors in Government, let us have scientific professors, like the chemical professors who gave this country rayon, soap, paint, lacquer, films, artificial ice, alkalies, corn products, explosives, perfumes, dyes, and what not. Let us swap chemical test tubes and formulas for textbook theories and on the fallow lands which result from crop reduction show farmers how to raise long-leaf pine for pulp purposes, tung trees for oil, china grass for long fiber, artichokes for sugar, and a lot of other things. Such a program could be evolved in short order and would be durable and permanent.

[Here the gavel fell.]

Mr. TREADWAY. I yield the gentleman 1 minute.

Mr. DIRKSEN. I am sorry, but 1 minute does not permit of anything in the nature of an exhaustive discussion of this matter; so, Mr. Chairman, I ask unanimous consent to extend and revise my remarks in the Record and yield back the 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Chairman, I take this time to clear up any misunderstanding that may have resulted from the speech delivered by the gentleman from Ohio [Mr. IMHOFF] a few days ago.

The gentleman represents the district in which is located the headquarters of the pottery manufacturers of this country. The gentleman in his speech indicated clearly that he expected to support this bill and gave as his reason the fact he thought it would be for the best interests of the pottery industry that he vote accordingly.

As I stated in my speech a few days ago, the pottery industry has its headquarters in that district. It is the largest pottery district in the United States. Ninety percent of the pottery manufactured in the United States comes from the association that has its headquarters in that district.

I have made an investigation to find out how this industry stands on the question. I have in my hands a telegram which I propose to read. It is addressed to me and comes from the president of this great association, and here is what he states:

SEBRING, OHIO, March 28, 1934.

HON. THOMAS A. JENKINS,
Member of Congress:

The membership of the United States Potters' Association, which comprises about 90 percent of all the active potteries in the United States, is opposed to the new tariff bill for the reason that it believes there is great danger in it to our industry. The pottery industry as a whole is in deplorable condition due to inadequate protection on imports from Japan and other countries having the benefit of Government subsidies and also operating with pauperized labor. About 7,500 pottery workmen are without employment. This represents about 35 percent of total number employed. If reasonable import quotas are soon established, this unemployment situation should soon be cured, and a great number of pottery workers taken off the relief and C.W.A. work. We respectfully beseech you to work against the enactment of this bill.

C. L. SEBRING,
Vice Chairman Executive Committee United States
Potters' Association and President Sebring Pottery Co.
F. A. SEBRING,
President Limoge China Co.

I also have a telegram signed by James M. Duffy, president of the National Brotherhood of Operative Potters. This is an organization affiliated, I presume, with the American Federation of Labor; in other words, it is an organization of the pottery workers of that district and the telegram states:

EAST LIVERPOOL, OHIO, March 29, 1934.

CONGRESSMAN THOMAS JENKINS,
House Office Building:

President Roosevelt's plan for authority to negotiate reciprocal-trade agreements for foreign nations in my judgment would not be in the interest of American pottery workers. Please accept my thanks for your efforts in behalf of justice to the people whom I represent.

JAMES M. DUFFY,
President The National Brotherhood of Operative Potters.

Now, ladies and gentlemen, these telegrams are a sufficient proof to show exactly how the pottery industry, both as to the owners and as to the workers, stands on the proposed tariff bill. There need be no further discussion with reference to how the pottery industry in Ohio and in the United States stands on this unreasonable and unnecessary and un-American bill.

In the remainder of my remarks I should like to give you some important facts which I received this morning. The great trouble now with the pottery industry is importation of cheap pottery from Japan.

In last January, all the countries of the world sent into this country 1,209,152 dozen of pottery. Pottery is reckoned by the dozen and not in dollars. Out of that 1,209,152 dozen Japan sent 1,093,555 dozen.

In the last month, February 1934, the world sent into this country 955,924 dozen, and out of that Japan sent 810,422 dozen. I want to direct your attention to two of the methods by which goods enter into the commerce of this country: One is known as a "consumption entry" and the other known as a "warehouse entry." The consumption entry is used when the duty is paid at once, possession taken of the goods, and the goods enter into the markets of trade. The warehouse entry is used when the importer does not wish

for any reason to pay the duty at that time, so the goods go into a Government bonded warehouse to be held there subject to the duty's being paid and the importer's taking possession of the goods. As coming events cast their shadows before them, it seems a very significant fact that during the months of January and February of this year there were 617,225 dozen, or 7,406,700 pieces of competitive ware from Japan placed in the warehouses. If this is continued month by month, you can readily appreciate the immense stock on hand there will be from which to fill current and future orders, thus offsetting for many months to come any remedial relief the pottery manufacturers of the United States might get.

The pottery industry of Japan is subsidized. It uses all the pauper labor it can procure. The Japanese Government furnishes the pauper labor, with the result that the labor employed in the industry in that country, as compared with the labor in this country, is like comparing \$1 to \$1,000. Here in the United States 60 percent of the cost of pottery is represented by labor. In the year 1929 labor drew \$20,-100,000 from the pottery industry. In 1933, owing to the influx of this foreign pottery unrestricted, the industry is disorganized and discouraged. [Applause.]

As I have previously indicated, the wages of the American potter are some 1,000 percent higher than the wages of the Japanese potter. The Japanese manufacturer profits by his pauper labor, by the 40-percent depreciation of the yen, by the subsidy received from both the Imperial Government of Japan, and from the prefecture in which the manufacturer is located. To compete against such a situation it is certainly obvious that American labor—the highest paid in the world, enjoying the highest living standards in the world—must inevitably gravitate toward the impossible coolie standard of living. No tariff on Japanese ware can reconcile these conditions. The only effect of a higher tariff would be to exclude completely the products of England, France, Germany, and so forth, and make a gift of all the American market to Japan. Only a quota, a limitation of the imports of this ware from Japan not to exceed that of any other country of the world, or an absolute embargo would give the proper relief. The pottery industry must have relief if it is to endure and if the thousands of idle men are to find work. It is unthinkable that this administration, in its efforts to rehabilitate industries and put men to work, acquiesces in the market of this important industry to be controlled by fully 40 percent by the foreigner, and about 90 percent of that by the products of pauper Japanese labor.

I believe comment on some remarks made by the able Chairman of the Ways and Means Committee in his discussion of this bill, as reported on page 5259 of the CONGRESSIONAL RECORD of March 23, is pertinent. Mr. DOUGHTON stated as justification for this bill:

Numerous acts delegating such powers have been enacted, and, as a matter of fact, sections 337 and 338 of the present Hawley-Smoot-Grundy Tariff Act contains provisions delegating powers to the President equally as broad, if not more so, than those proposed by this bill.

That is far from the facts. There is no analogy that can be drawn. Section 337 is a reprisal section against unfair practices in import trade—the unfair acts in the importation of articles into the United States, the effect or tendency of which is to destroy or substantially injure an industry. Condition precedent to action by the President is the investigation and recommendation of the fact-finding body created by Congress—the United States Tariff Commission. The President does not act of his own initiative and without obtaining the facts adduced before this Commission by open hearings of the interested parties. Entirely different from the secret manipulations permitted by this bill.

Section 338 is for the protection of our commerce against the discriminations of foreign countries and whenever the President finds that any foreign country imposes any unequal imposition or discrimination he is authorized to take the necessary prescribed steps in retaliation. Action under this statute is also predicated upon the investigations and reports of the Tariff Commission. So you see, gentlemen, how fallacious is the chairman's statement.

However, to follow Mr. DOUGHTON's argument to a logical sequence, if the President has the power "equally as broad, if not more so, than those proposed in this bill"—why the bill? You cannot paint the lily. You cannot emphasize the powers he claims the President already possesses by a repetition, of legislation conferring that power. No, my friends; the intent and purpose of this bill is away beyond that.

I quote again from Mr. DOUGHTON's testimony on the same page stating:

During the hearings we were told that many times in recent months cargoes of American products at sea were recalled because of some new overnight restriction. That shows how other nations change their laws to the detriment of the United States.

The gentleman made a very unhappy reference there. He puts forward as one of the controlling reasons why the President should be given this vast power in this quoted reference. As a matter of fact, if in any of these alleged instances an overt act has been committed; if there has been any discrimination against the commerce of the United States; if there has been any unfair trade practice, sections 337 and 338 of the Hawley-Smoot Tariff Act clothes the President with full and ample powers to act in the premises. If the President has not acted to correct these conditions complained of when he already has full congressional authority to act, why may it be assumed that under some other bill conveying the same authority he will be better able to act? It is a ridiculous inference.

The truth of the matter, gentlemen, is that the foreign countries are nationalistic and protect their industries to the fullest against the foreign competition. In order to give this full measure of protection they have established quotas. Twenty-two European countries adopted the volume or quantitative limitation of imports through quota or license system, which was done as a means of putting their unemployed to work, to rehabilitate and develop their industries. So, after a given quantity of merchandise in a given period of time enters the country, the doors are closed and no more can come in until the new quota goes into effect. No such care and attention is paid to the American industries in protecting their products and in keeping their labor supplied with work. On the contrary, our markets are thrown wide open to the dumping of foreign-made goods while our own workmen walk the streets and while we appropriate and expend hundreds of millions of dollars to create artificial employment so that some of the thousands of idle can be fed. In the face of all this, in face of our factories either closed or working half time, this bill seeks to increase this dumping and actually bankrupt industries for some illusory benefit that may be derived in increasing our 5- or 6-percent export trade at the sacrifice of our 92- or 95-percent production and consumption.

Under leave to extend my remarks, I wish to have printed in the RECORD the following statistics:

	1929		1931		1932		1933	
	Dozens	Value	Dozens	Value	Dozens	Value	Dozens	Value
Czechoslovakia.....	773,765	\$908,047	264,857	\$274,210	218,400	\$220,458	130,615	\$156,083
France.....	423,293	863,662	76,518	210,652	43,411	104,413	28,841	72,414
Germany.....	3,356,500	3,987,348	1,135,991	1,409,322	719,450	867,399	633,997	879,353
United Kingdom.....	1,935,806	3,786,939	959,807	1,545,317	804,119	844,332	813,779	982,463
Japan.....	7,231,829	4,523,390	4,612,928	1,990,430	4,935,226	1,145,109	7,138,571	1,904,919
All other countries.....	940,759	954,448	218,243	287,560	145,386	172,362	129,426	158,758
Total.....	14,661,952	15,023,834	7,268,341	5,717,491	6,866,052	3,354,073	8,875,229	4,153,990

NOTE.—While the imports from Japan were approximately the same for 1929 and 1933, the value of the 1933 imports was but 45 percent of the 1929 values, due to depreciation of the yen.

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. EVANS].

Mr. EVANS. Mr. Chairman and members of the Committee, I take this opportunity of saying a few words with reference to what I read in the RECORD this morning from the gentleman from California [Mr. BUCK] in his speech on yesterday.

The gentleman from California read into the RECORD and commented on a telegram he received from the San Francisco Chamber of Commerce in support of this bill, and from the gentleman's remarks the deduction could be fairly drawn that the agricultural interests of the State of California were in favor of the enactment of this legislation.

I do not believe that is a correct deduction in any sense of the word. The facts are—and I know this, because I have received hundreds of letters and telegrams from different sections of California—urging the defeat of this legislation. Many of these letters and telegrams were from agricultural interests.

Mr. KNUTSON. Will the gentleman yield?

Mr. EVANS. I yield.

Mr. KNUTSON. My colleague will recollect that it was testified by one of the witnesses before the Ways and Means Committee that one of the things that could be done would be to increase the importation of wines from France. That would be at the expense of California, would it not?

Mr. EVANS. It would be the ruination of the wine-producing interests if the restrictions on the importation of wines were permanently or even temporarily lifted. The grape growers of California are having a life-and-death struggle to rehabilitate themselves, so that they can compete with foreign competition with the protection they now have.

Mr. KNUTSON. If your people in California would be willing to live on the same level that they do in France,

where they keep cattle in the house and wear wooden shoes, I think they could compete all right.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. EVANS. Yes; I yield to my good friend from Massachusetts.

Mr. McCORMACK. Does the gentleman think there is any likelihood of any such situation arising as that expressed by the gentleman from Minnesota under any President of the United States, whether Democrat or Republican, if such power were vested in the President?

Mr. EVANS. I believe the gentleman from Minnesota [Mr. KNUTSON] might be justified in making at least some of these deductions from what we hear threatened in connection with this legislation.

Mr. McCORMACK. Does the gentleman believe that the exercise of power would be to the destruction of Californian products? Has the gentleman any fear of the exercise of any such power, and to such an extent?

Mr. EVANS. I am not prepared to say that I have a fear to that extent, but I am prepared to say that I have a very deep and grave fear that California's agricultural interests, wine producers and otherwise, will be seriously and dangerously affected by this legislation.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. EVANS. Yes.

Mr. WOODRUFF. As a matter of fact, the newspapers have carried a story within the last few weeks of this administration's giving to the country what might be considered as a forerunner of what is to come, when it entered into an agreement with France and lifted the embargo against the importation of wines and liquors from that country in the amount of \$10,000,000, and got as a return the privilege

of importing into France \$1,000,000 worth of apples and pears, giving France the benefit of a trade agreement at 10 to 1.

Mr. EVANS. Exactly. Then when our apples reached the docks in France, we found that France had put an excise tax on American apples which made them unmarketable in that country.

Mr. Chairman, I must finish now what I rose to say. I do not intend to gainsay the correctness of the telegram read by the gentleman from California [Mr. Buck] from the San Francisco Chamber of Commerce. The San Francisco Chamber of Commerce is reputed to be, and I am sure is, largely made up of men and women who are interested in foreign trade, and that organization is not at all representative of the agricultural interests of California. The president of the San Francisco Chamber of Commerce, and the man who sent the message to the gentleman from California [Mr. Buck], is Mr. J. W. Mailliard, Jr., a member of the firm of Mailliard, Schmiedell & Co., importers and exporters of San Francisco. Of course, those who are engaged in foreign trade are for the bill. They are against tariffs as a rule. The San Francisco Chamber is dominated by Mr. Mailliard, its president, and Mr. Mailliard is in the foreign-trade business. Those who oppose this bill are endeavoring to protect American trade and American producers. We are more interested in looking after this part of the business, which is 95 percent of the whole, than we are in fostering the 5 percent which goes abroad, and in which the president of the San Francisco Chamber is interested.

There is an organization in California which is quite representative of the entire agricultural interests of the State of California and the industrial interests of the State of California, and all other business and interests of the State, and that is the California State Chamber of Commerce. It is made up of representatives of all the chambers of commerce of the State, including the Chamber of Commerce of the City of San Francisco and the Chamber of Commerce of the City of Los Angeles, and hundreds of other chambers of commerce in the State; and that organization on March 23, 1934, sent the following telegram to me and to other Members of this body:

SAN FRANCISCO, CALIF., March 23, 1934.

Hon. W. E. EVANS,

House Office Building, Washington, D.C.:

The California State Chamber of Commerce is of the opinion that flexible provisions of Tariff Act of 1930 provide Tariff Commission and President with all necessary means of changing tariff schedules to meet changing conditions. Congressional H.R. 8430 proposes to give President power to change tariff schedules 50 percent by reciprocity treaties with other nations and without hearings. Such power would affect numerous tariff schedules vital to California. California State Chamber is opposed to vesting such broad power in any individual and believes it would result in uncertainty that would be extremely detrimental and disturbing to California agriculture. No changes should be made in tariff schedules without thorough investigation by Tariff Commission with adequate hearings. Proposed legislation would furnish opportunity for political pressure to be exerted in such way as to favor large industries of wide political influence at expense of small industries of less political influence. California State Chamber urges that H.R. 8430 be not passed, in view of fact that Tariff Commission and President already have power for adjustments with provision for full hearing by all interested parties.

NORMAN H. SLOANE,

General Manager California State Chamber of Commerce.

There is the real reaction of the industrial and agricultural interests of the State of California with reference to this legislation. In this connection I ask unanimous consent to insert in the RECORD at this point a letter received by me from the Los Angeles Chamber of Commerce, of March 24, in opposition to this bill.

The CHAIRMAN. Without objection, it is so ordered.

The letter referred to follows:

LOS ANGELES, CALIF., March 24, 1934.

Hon. W. E. EVANS,

House Office Building, Washington, D.C.

DEAR CONGRESSMAN EVANS:

Subject: H.R. 8430

With the help of several of our committees, we have been giving very careful study to tariff bill H.R. 8430.

Fundamentally, and regardless of the sincerity of purpose of the Chief Executive, we believe that all reciprocal trade arrange-

ments should be subject to open and full public hearings before their consummation is approved.

Undoubtedly, reciprocal trade contracts with foreign countries can only be successfully negotiated if it means that those countries are going to be enabled to find a larger market for their products within the United States in return for a larger market for our products or some other valuable consideration associated with our general trade.

It would seem, therefore, wise and desirable that the Chief Executive should be safeguarded in connection with these matters by the proviso that a proper public hearing should be held; this would bring out any opposition which might exist to the particular arrangement, but at the same time, such opposition would have to be very sincere and worthwhile if it could sustain its position at a public hearing in face of the Government evidence that no real harm would result to any particular group through such a proposed reciprocal treaty.

Certain it is that in the formation of a national tariff policy and incidental legislation, the national code authorities under the N.R.A. and A.A.A. should be directly consulted. These authorities would be in position to provide the administration with much valuable information as to the relative position of various industrial and producing groups here, under such reciprocal treaties.

It seems to be the consensus of opinion all along the line in all groups, agricultural and otherwise, that without full public hearings it would be difficult for the Government to obtain sufficient information on which to base intelligent action for the benefit of the country as a whole.

As further interesting data bearing on this whole subject, we are sending you a memorandum prepared by Mr. Matson, manager of our Foreign Commerce and Shipping Department, dealing with the general question of tariffs, and would call your particular attention to his comments, starting with paragraph 6 on the matter of reciprocal trade arrangements.

We earnestly hope that this important matter will receive careful consideration as to providing proper safeguards in the interest of the country as a whole.

Very truly yours,

LOS ANGELES CHAMBER OF COMMERCE,

A. G. ARNOLD, Secretary and General Manager.

Mr. EVANS. The gentleman from California [Mr. GOLDEN] in his speech yesterday criticized the Hawley-Smoot tariff bill. He said California products had not been protected. He surely has not examined the rate schedules in that bill. Nearly every rate was increased on California's agricultural products, and California agriculture is now calling for still higher rates. He complains about the failure of a tariff on oil. It was not the fault of the California delegation that a tariff was not placed on oil. We did all we could for it, but we could not get everything we wanted. We certainly cannot rely on the Democrats to give us a tariff on oil. We will never get additional tariffs by wrecking what tariff structures we now have.

Mr. TREADWAY. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, the gentleman from Massachusetts [Mr. TREADWAY] has just told me that I am to have 3 minutes to speak. On October 24, 1932, I happened to go to the White House to pay my respects to President Hoover. He greeted me by saying, "Congressman, will you do me a favor?" I have not had many Presidents ask me to do them a favor, and I said right away that I should be glad to. He then said, "Will you answer a telegram just sent me by 180 college professors and economists, and ask them to specify what rates in the tariff bill they consider to be too high?"

I sent the following telegram at the expense of the Republican National Committee—not my own, because it cost two or three hundred dollars—to all the college professors who signed the round-robin petition to President Hoover, calling upon him to "remove world barriers raised by the Hawley-Smoot Tariff Act."

WASHINGTON, D.C., October 24, 1932.

You recently petitioned President Hoover asking elimination of "inequalities" 1930 Tariff Act. To determine those inequalities you must have made a painstaking study of all tariff rates and industries affected by them. Consequently, you must be in position to inform me what rates you found to be too high. Your views on the tariff coincide so closely with those of Governor Roosevelt that I ask whether you have conferred with him, and if he intends to generally reduce tariff rates if elected, and especially what his position is regarding tariffs on sugar, oil, lumber, copper, and coal.

HAMILTON FISH, JR., M.C.

Although I sent that telegram to each one of the 180 college professors I received back only 6 answers, and none

of them was able to specify, except in general terms, what rates in the Tariff Act of 1930 were too high. The professors absolutely failed to specify what rates should be reduced. That is exactly the situation before the Congress today. The Democrats have been talking in general terms about the high rates in the 1930 tariff bill; but when they come down to particularize on any schedule or on any item, they fail to specify what rates are too high. American labor declines to compete with the poorly paid labor of Europe or Asia or the forced labor of Soviet Russia. The protective-tariff system has built up the industries of the United States, and the attitude of the President puts in peril the welfare of our workingmen.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. WOODRUFF. Is it not a fact that this administration has already reduced the tariff on all specific rates approximately 40 percent by reducing the gold content of the dollar?

Mr. FISH. There is no question about that.

Mr. WOODRUFF. And that reduction in specific rates has already taken place?

Mr. FISH. That is my belief, that is my understanding, and that is my conviction. Furthermore two thirds of the value of our imports come in duty-free. Most European countries have erected tariff barriers considerably higher than our own.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. FISH. Oh, let me go on a little further, and then I will give gentlemen some questions to ask.

Mr. TRUAX. I have one now.

The CHAIRMAN. Does the gentleman yield?

Mr. FISH. Not just now. We have heard a great deal of talk from the Democratic side about the years 1928 and 1929. Mr. Chairman, we on this side of the House have nothing to apologize for for the high degree of prosperity that existed in this country from 1921 to 1929 under a protective-tariff system and Republican administrations. It is unfortunate that American industry and labor are being assailed and menaced by repeated attacks by this administration on the protective tariff. Back in 1928 Alfred E. Smith, the Democratic standard bearer, came out openly for the maintenance of American protective principle as being in the interest of American labor and industry. There never was a time in our history due to world depression when adequate tariff protection was more urgently needed to keep the wheels of industry turning and labor employed and to safeguard the American market for the products of our own labor.

It is the purpose of the Republican Party—when we emerge from the depression, as emerge we will—to continue to uphold the high standard of wages and living of the American people.

Between 1921-29 we gave to the American people the highest degree of prosperity that was ever known in any country in the history of the world. During those years the American people were the best paid, the best housed, the best fed, the best clothed, and the most contented in the world. [Applause.] We gave the American people an overabundance of prosperity, a surplus of prosperity, and they abused it; they were wasteful and extravagant, and they followed the big international bankers of New York and gambled and speculated and tried to get rich overnight. It was not because we had failed as a party to give the people prosperity or because the protective-tariff system had failed. It was because in those years, under the protective-tariff system and under the sound principles and policies of the Republican Party for three administrations, we had given to the country the greatest degree of prosperity it has ever known. Because that prosperity was abused, the inflation of

1929 was brought on, but that is not the fault of the Republican Party.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. FISH. I will yield in a moment.

Mr. COCHRAN of Missouri. The gentleman said he would give us something to ask about.

Mr. FISH. I will give you some more.

Now, it was not the Republican Party that caused this inflation. It was the people back home, you and I, who went money-mad, trying to get rich overnight; you and I who bought the bonds and stocks and securities that were fed to us by the international bankers.

Mr. COCHRAN of Missouri. That is what I want to ask the gentleman about.

Mr. FISH. I do not yield now. I want to give you something to really ask about. I will proceed. The American people bought all those bonds and stocks and securities. What did they buy them with? They bought them with good American money, made under Republican administrations, owing to the prosperity of those times. They were led astray by the bankers, such as Albert Wiggin, of the Chase National Bank, and Charlie Mitchell of the National City Bank, often buying worthless bonds and securities and also foreign bonds, many of which have defaulted. The enormous inflation was caused by the mania of the American people to buy all kinds of securities. Did the Democratic Party at that time point out the menace of that inflation? Oh, no. Your chief spokesman is Professor Fisher, of Yale; on monetary matters, what did he say? He said back in 1929 that the high prices would prevail; that we had not yet reached the peak.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FISH. The American people, because of years of prosperity and abundance, had money with which to buy stocks and bonds and to invest or speculate. This caused a great inflation and the overproduction of factories, the overproduction of goods, and the overproduction of real estate. Naturally, that inflation was bound to crash. It did, and the pendulum swung back; but it did not stop at normalcy. It went down and down into the depths where we have been for a number of years past. There is only one way out of those depths, and that is through sound American policies. What is needed today is not less tariff protection but more tariff protection. What is needed more than anything else are the sound, constructive principles of the Republican Party. [Applause.]

Mr. COCHRAN of Missouri. Will the gentleman yield now?

Mr. FISH. Oh, yes; I yield.

Mr. COCHRAN of Missouri. The gentleman pictured the situation with reference to the hundreds of thousands of people trying to get rich overnight, who lost everything they possessed in 1929.

Mr. FISH. Millions of them.

Mr. COCHRAN of Missouri. And the gentleman pictured the situation with reference to the crash and the subsequent developments, and the gentleman knows that the people of the country were robbed by these stock manipulators.

Mr. FISH. I do not deny it.

Mr. COCHRAN of Missouri. Now, the gentleman knows just what happened. He has demonstrated he knows. In view of that, I want to ask the gentleman if he will support a bill to regulate stock exchanges so that we will not have a recurrence of what happened in 1929?

Mr. FISH. I certainly will support any sound and constructive bill to regulate the stock exchange. I will not support one that destroys legitimate business.

Mr. COCHRAN of Missouri. Is the gentleman willing to support a bill that will stop such practices as were shown by the investigation held by the Senate committee?

Mr. FISH. I want to do that; yes. You bring in sound, constructive legislation along those lines and I will support it.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, on yesterday I mentioned something of the dangers of the so-called "reciprocal trade agreements." It is not my purpose to become hysterical about legislation. What I am interested in is to see this House, on both sides of the aisle, take into consideration some of the practical aspects of things, and to legislate in the same way as if you sat on a board of directors of some business concern in your own district.

The things that we do here are very far-reaching. Once we have legislated away our power, we vest that power in one man or a group of men such as the "brain trust", which has the power of life and death over industries which are the lifeblood of the communities from which we come.

Now, it happens that I have the honor to represent a district that is very much interested, very vitally interested, in the production of grapes. In my section we have something like 30,000 acres of grapes. In Michigan they have a large acreage. In Ohio, in western Pennsylvania, in Nebraska, in Oregon, and in the great State of California thousands upon thousands of people depend for their livelihood upon what they realize from their vineyards. If you will visit western New York, I shall be pleased to show you some of the finest apple country, some of the finest peach country, that can be found anywhere in the United States. You on the Democratic side and you men on the Republican side represent great fruit districts. Those districts mean everything to the people who have invested their money in developing these great fruit orchards.

I want you to get the significance of this, because at the present time some departments are sending their attachés or representatives to various countries to work out a program of goods that can be shipped into this country in competition with our own.

At least two countries in South America are developing fruit growing in a very large way. The purpose of these countries in opening up vast areas to fruit production is for export. Government aid, which is a part of the program, will place these countries in a position to invade our market at a great advantage over our fruit growers. Our farmers ought not to be sacrificed without an opportunity to be heard. This bill, if passed in its present form, will deprive our fruit growers of such an opportunity.

The CHAIRMAN. The time of the gentleman from New York [Mr. REED] has expired.

Mr. TREADWAY. Mr. Chairman, I yield myself the balance of my time. I may say at the beginning that three other gentlemen asked for recognition, but either they are engaged with committees or did not realize that the House met at 11; were they here, I would yield to them.

Mr. Chairman, at the outset of my closing remarks on this measure on the Republican side, I wish particularly to bear emphasis on the form of government under which we live. A great deal has been said in the committee and on this floor by the advocates of the measure that other countries have the opportunity to change tariff rates overnight, and, therefore, a very great advantage over our method of procedure. I am glad we have not such procedure. In the first place, this country has prospered under its constitutional form of government. The Constitution recognizes as one of the three coordinate branches of government the legislative branch; and I, therefore, say that it is our duty to retain our established methods of procedure.

Another outstanding reason in my mind why our form of government is preferable from the standpoint of business and the interests of the people is that, if there were any authority in this country for changing tariff rates overnight, business would be upset all the time; there would be absolutely no permanency were business forced to carry on in this country under such a system.

Our opponents frequently urged, when previous tariff legislation was under consideration, the argument that, during the long period of preparation of a measure and its consideration in Congress, business was upset; that nobody knew what the rates were to be; that nobody knew

from day to day what was to be the final decision of Congress on a specific rate; and, therefore—if during the period of the year we have been preparing a measure, business has constantly knocked at our door here and said, "We do not know where we are at; there is nothing permanent"—by the same token—if we adopt this idea of foreign governments that we should change our business methods overnight, make a different rate of entry on foreign goods—no business man in this country is going to know just where he is from day to day. This is especially true in view of the fact that all these bargains, trades, and swaps are, through the nature of the bill and the admission of every advocate of the bill, to be made in secret, behind closed doors, with representatives of foreign governments, without a hearing, and without the slightest opportunity of our industries' knowing just where they are.

So if the Democrats, acting under the whip of the administrative leaders and the "brain trust" of college professors (there are some good college professors; we had a speech from one yesterday, a man with whom I am proud to be associated, and I refer to our colleague from Ohio, Mr. West; if every college professor were in his class, we would not have as good an argument to oppose their suggestions); if we want to be led by that kind of dictatorship, here is our chance. I, for one, prefer that we go along in the manner in which this country has prospered, with legislation being enacted here in wide-open spaces of congressional halls, rather than behind the closed doors of foreign embassies. I lay this down with all the power of expression I can bring to the subject in these few closing minutes of this debate.

Mr. Chairman, a prejudiced jury under control of party domination is about to bring in a verdict of "guilty" against American industry. There will be an appeal, however, from this verdict to the court of public opinion, consisting of the voters of the country, who will reverse the decision of this House in the congressional elections of next November.

The Republican Party has with great satisfaction accepted the challenge of the administration. As this debate is now closing the evidence as submitted may be reviewed. At the outset, however, a preliminary statement is in order.

For a year Congress, following the mandate of the people, has with considerable unanimity supported the program of the administration. Features of this program were so dramatic and startling and the stage was so well manipulated that the people eagerly grasped the opportunity to travel over uncharted seas, without compass or navigating instruments to guide them to an unknown port. The year's experience has failed to bring the ship of state into harbor, and new experiments are still being offered.

The effect of H.R. 8687, although a new proposition, is much better understood by the people than any previous suggestions of legislation by the administration. The people have known for many years that the tariff is the cornerstone of the foundation of the development of American industry and American standards of living. An effort to overthrow the tariff strikes directly at the homes of the people. More and more as time has progressed have the two parties been coming together, or, to state it more correctly, the Democratic Party, through its platforms, has shown its recognition of the merits of the Republican system of a protective tariff. The first departure from this recognition is contained in H.R. 8687, wherein not only is the tariff attacked but the Constitution of the United States under which this country has developed and prospered for 150 years.

Mr. Chairman, the pending bill destroys the principle of protection of the home market; it would sacrifice domestic industry, agriculture, and labor for the benefit of foreign interests; and it would surrender the taxing power of Congress to the President and his subordinates in violation of both the letter and spirit of the Constitution. As the Republican Party has always stood for constitutional government and the preservation of the home market for our own people, it becomes the duty of the Republican minority to fight for the preservation of these fundamental principles. If it is partisanship to fight for principles, then, by Heaven, we are proud to be partisans.

Our Democratic friends have no principle to fight for in this bill. On the other hand, the bill violates many of the fundamental principles for which they have stood in the past, and they are thus forced to make excuses for it. There is not a single Democratic Member, I venture to say, who would vote to give the authority contained in this bill to a Republican President, and I think I can safely assert that no Republican President would ever ask for it.

Let us now briefly review for the final decision of the jury, before the appeal to the people, the evidence submitted by the administration and by industry before the Ways and Means Committee and before the House of Representatives.

The argument is made that foreign countries are rapidly winning away our foreign trade, and that the bill provides the only method for regaining it. We are told that because Mussolini and Hitler and Stalin have the power to make tariff changes over night, we should set up in this country similar authority of dictatorship. To this I cannot agree.

Mr. Chairman, I strenuously deny that we are called upon to sacrifice our home industries in order to sell small surpluses abroad. Yet the bill places in the hands of one man the power to destroy every domestic industry dependent upon tariff protection. It would give the President the power to sacrifice one domestic industry for the supposed benefit of another, without notice or hearing to the industry affected, and without review of the President's action by Congress, in anticipation that he will sell some surplus products in the foreign markets. This is a superhuman power that only a dictator would ask for.

How absurd it is to say "Can not the President be trusted to exercise this power wisely, and in the best interest of the country?" To that there are two answers: First, that we cannot possibly be benefited by destroying one industry to build up another; and second, that the power thus given to the President must of necessity be delegated by him to subordinates and members of his "brain trust" who hold no elective office under the people and in whom the people have not placed their trust and confidence.

We are asked to place this power in the hands of the President, or those to whom he may delegate it, without the least advance knowledge of how it will be used. We know neither what the administration proposes to sell abroad nor what it proposes to take in return. Doubtless if the Congress knew in advance the domestic industries which would be sacrificed in these secret negotiations with foreign countries, it would not be disposed to grant this authority to the President. I am sure he must have had this fact in mind when he had the bill prepared so as to secure advance congressional approval of the agreements which he proposes to enter into.

During the hearings on the bill the minority members of the Ways and Means Committee tried to obtain some information along this line from the members of the Cabinet who testified before us. In every instance we were told that it would not be possible for Congress to have this information. The Secretary of State said:

I would prefer not to undertake to lay open to other governments the details of our methods of making bargains and undertaking negotiations.

Similarly, the Assistant Secretary of State, Mr. Sayre, said:

I do not feel that it is quite possible to reveal the approaches of foreign governments made in confidence to the State Department.

The Secretary of Agriculture was a little more frank in his testimony before the committee than some of the other witnesses. When asked what benefits would come to domestic industries under the bill he said:

As producers, those who produce for the export market would be beneficially affected by this bill; those which are so inefficient that they cannot meet foreign competition would, in case the powers of this bill were exercised to lower the tariff, be perhaps unfavorably affected.

Asked what industries he considered inefficient, the Secretary named, among others, the beet- and cane-sugar indus-

tries of the United States. At page 60 of the hearings he said:

The sugar-beet industry, as measured from the standpoint of free world competition, is inefficient.

Asked if he would approve of the expansion of the growing of cane sugar in Florida, he replied:

I would not, unless it is an efficient industry, and it is clearly not; they cannot produce as cheaply there as they do in Cuba.

Apparently the Secretary's test of efficiency is whether an industry can produce its goods as cheaply as the rest of the world. This is evident from the following colloquy of the Secretary with the gentleman from New York [Mr. REED]:

Mr. REED. Would you favor lowering the tariffs on things Germany produces and ships to this country and which we produce here in our own country?

Mr. WALLACE. If Germany can produce them more efficiently than we can, it would be of benefit to our consumers, and our consumers certainly represent the eventually dominant interest in our population.

It may be of interest to some Members to know that in a report furnished the Senate by the Tariff Commission the following articles, among others, were said to be produced in foreign countries more advantageously than in the United States: Dyes, olive oil, china and porcelain, graphite, marble, manganese ore, pocket cutlery, safety razors and blades, watches, cane and beet sugar, cheese, eggs, winter vegetables, long-staple cotton, cotton handkerchiefs, flax, crin vegetal, straw hats, dolls and toys, hides and skins, women's and children's gloves, and sponges.

In addition to the articles I have named there are hundreds of other articles in this list. The same report also contains a list of articles on which the duty is more than 50 percent, the inference being that any article requiring a duty in excess of that amount is inefficient from the standpoint of world competition. It is significant that this list contains 97 items under the agriculture schedule, including such important products as wheat and butter.

Mr. Chairman, it is a cause of deep regret to differ absolutely in the meaning of words of the English language from my intimate friend and associate, the Chairman of the Ways and Means Committee. He and other speakers on the Democratic side for this measure have found great comfort in quoting from the speech of a private citizen, formerly a Member of this House, and a very keen debater and an eminent Secretary of the Treasury, the Honorable Ogden L. Mills.

I quote the words of Chairman DOUGHTON, on page 5257 of the RECORD of March 23, when in his speech he used this sentence:

No more severe condemnation of the Hawley-Smoot-Grundy Tariff Act and the policy of isolation than that expressed by Mr. Mills in the above quotation has ever, in my opinion, been made by anyone high in either party.

If the gentleman from North Carolina [Mr. DOUGHTON] is resting his case on what is conceived by him and other Democratic speakers as a very definite agreement with their viewpoint, let us analyze the language very briefly.

Mr. DOUGHTON. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. May I state that we are not resting our case on the assertions of any one man.

Mr. TREADWAY. I think that is probably true, but the gentleman has quoted Mr. Mills as one of his very best authorities.

Mr. DOUGHTON. I did quote his language, and I put a certain interpretation on the language.

Mr. TREADWAY. I have his language right here to quote also. I have the very paragraph that the gentleman quoted.

Mr. DOUGHTON. The gentleman has put a certain interpretation on my remarks, which I have no objection to, but I do not agree with his interpretation.

Mr. TREADWAY. I do not agree with the gentleman's interpretation of Mr. Mills' language.

This is the language of Mr. Mills to which the chairman was referring:

We will have to abandon the present policy of isolation and intense nationalism and to some extent modify recent tariff practices. I have never understood that a sound system of protection, based on the difference of cost of production at home and abroad, means the erection of impassable trade barriers, the destruction of our commerce with the rest of the world, and the sacrifice of the efficient farmer to save the inefficient manufacturer.

If I understand the English language, what Mr. Mills actually said was that if we maintain a system of sound protection, based upon the cost of production at home and abroad, we are not erecting impassable trade barriers, nor destroying our commerce with the rest of the world, nor sacrificing the efficient farmer to save the inefficient manufacturer.

We who served with him know the efficiency of Mr. Mills' language, and I will put my understanding of the quotation Mr. DOUGHTON made against Mr. DOUGHTON's understanding of it. Mr. Mills definitely says that in making reciprocal agreements our basis should be the difference in cost of production between the two countries. We have no better argument for our opposition to the bill than Mr. Mills' own words, as quoted by Mr. DOUGHTON.

Mr. Chairman, what does American industry think about this bill? The committee heard two witnesses representing the two great industrial organizations in the United States, namely, the Chamber of Commerce of the United States and the National Association of Manufacturers. These representatives of industries employing millions of American workers testified definitely in opposition to the bill. I asked Mr. Farrell, representing the United States Chamber of Commerce this question:

MR. TREADWAY. * * * You are not then in sympathy with the idea that has been expressed here of the possibility of doing away with some of our own industries here in order to get goods in from other countries?

MR. FARRELL. No, sir.

Mr. Emery, representing the National Association of Manufacturers, evidenced a similar feeling when he said:

I trust the committee will not understand in speaking for our tariff committee that I am depreciating in the least the advantages of foreign trade. But I do wish to insist upon making clear a comparison between jeopardizing the vast domestic trade of the United States enjoyed to such an extraordinary degree by its own people, and the possibilities of foreign trade, which in many directions are limited by the facts of our importation and experience.

Both these organizations placed themselves on record as favoring the maintenance of the principle of protection. Thus, the Chamber of Commerce definitely requested that—

Congress write into the law the definite limitation that no rate be lowered to a point where American industry and agriculture shall be subjected to destructive foreign competition.

Similarly the National Association of Manufacturers asserted its belief in the—

Necessity of maintaining reasonable methods of protection where demonstrable foreign competition adversely threatens American industries and their capacity for employment.

Mr. Samuel Crowther, the eminent writer and economist, presented to the committee an unanswerable argument against the bill when he said:

Let us see what foreign trade is. Why do we sell anything abroad? It is to exchange some wealth we have produced for some wealth that someone else has produced * * *. Now, if we produce that same wealth here as the foreigner, should we not buy it at home rather than abroad?

Reference has been made during the debate to past utterances of Democratic Members in which they opposed the transfer of tax- and tariff-making authority to the President, no matter how strictly it was confined or restricted. The CONGRESSIONAL RECORD is filled with their vehement protestations against the flexible tariff provisions. Now, however, we find these same Democrats deserting their Jeffersonian principles in favor of the centralization of authority in the hands of one man. It will be interesting to recall some of the remarks made by these gentlemen upon other occasions. Our former colleague from Georgia, Mr. Crisp, said:

Gentlemen, think what a potential power the power to make tariff rates would be in an election year.

Our former colleague from Texas, the present Vice President said:

I want you all to turn over in your minds and see what it means for Congress, representing the people of America, to surrender its rights to levy taxes. Remember this, gentlemen, when the legislative body surrenders its tariff powers and obligations to the Executive—under our system of government, a majority can do that, but you can never recover them except by a two-thirds vote of the House and Senate.

In a joint statement issued on September 29, 1929, the Democratic members of the Senate Finance Committee referred to the flexible provisions of the 1930 tariff bill as "an entering wedge toward the destruction of a basic principle of representative government", and stated that in their opinion, if the provisions referred to were enacted, it would be questionable if there would ever again be a tariff bill originated and enacted by Congress.

Reference was made in the debate the other day to a statement by the Chairman of the Judiciary Committee, the gentleman from Texas [Mr. SUMNERS], in which he said that—

We are accumulating about the President of the United States powers so great that no human being in human history has been able, and no human being ever will be able, to possess without their abusive exercise.

That statement was made over 2 years ago, before Congress abdicated practically all of its powers in favor of the Executive.

The Secretary of State, Mr. Hull, both as a Member of this body and of the other legislative body, strongly condemned the delegation of tariff-making powers to the President. He referred to the present flexible tariff provisions as "subversive of the plain functions of Congress" and as an "unjustifiable arrogance of power and authority to the President."

The gentleman from Kentucky [Mr. VINSON] stated on this floor just a little more than 2 years ago that he was against the delegation of tariff-making authority to the President. He further said:

We do not advocate autocracy and bureaucracy, yet there are men who permit their growth in the name of expediency. * * * The fathers who wrote the Constitution never contemplated the placing of the power to fix rates in the hands of the President.

The Chairman of the Ways and Means Committee, Mr. DOUGHTON, in opposing the flexible provisions of the 1930 tariff bill, said:

The fathers who framed the Constitution wisely, in my opinion, left to Congress the initiating and enacting of laws raising revenue. The flexible provision giving the President the power to raise or lower tariff rates to the amount of 50 percent renders nugatory in spirit and practical effect this provision of the Constitution.

In the same speech he viewed with alarm the growing tendency toward centralization of authority in the President, saying:

In my opinion, we have gone a long way too far already in centralization of power in the Executive head of the Government.

Referring to the flexible provisions, he said:

If this bill is enacted into law he will have the power of life and death over industry, all manufacturing enterprises, and complete autocratic power affecting agriculture.

It is the following statement, however, to which I particularly wish to direct the attention of the House:

My friends, this is too dangerous and alarming to contemplate. With all this power vested in the President of the United States, he becomes a colossus. It is too much power and authority to lodge in any man who ever has been, is now, or ever will be President of the United States.

The gentleman then went on to say:

It seems that the more power men are given the more they are obsessed with a morbid gluttony for increased power. My friends, it is time to pause and call a halt, to stop, think, look, and listen before we go over the yawning precipice just ahead of us.

Mr. Chairman, the flexible provisions of the Tariff Acts of 1922 and 1930 delegated to the President no discretionary legislative authority, but that is exactly what the present bill does.

For the purpose of making clear the difference between the President's authority under the flexible tariff provisions and that under the pending bill, I shall paraphrase the language of the two measures and set forth their respective provisions in parallel columns.

**FLEXIBLE TARIFF PROVISIONS OF
1922 AND 1930 TARIFF ACTS**

Under the flexible tariff provisions, Congress lays down the definite legislative policy that tariff rates shall be maintained at such a level as to equalize the difference in foreign and domestic production costs, thus insuring domestic agriculture and industry against destructive foreign competition.

When a request is made for a change in rate, the Tariff Commission first makes an investigation to determine the difference in production costs of the foreign and domestic articles, and then reports its findings to the President. The President then proclaims the change in duty recommended if in his judgment it is necessary to equalize such production costs. He cannot modify the Tariff Commission's findings, but must either proclaim the rate recommended by the Commission or leave the statutory rate unchanged.

It is provided that in no case may the Tariff Commission specify an increase or decrease in duty exceeding 50 percent of the rate expressly fixed by statute, nor may any article be transferred between the dutiable and free lists.

It will be observed in comparing the provisions of these two measures that under the flexible tariff the President has no discretionary authority in rate making. He can only proclaim the increase or decrease in duty recommended by the Tariff Commission as being necessary to carry out the legislative rule that duties shall equalize foreign and domestic production costs. Under the pending bill the President has discretionary authority in rate making.

While advocating reciprocity, the Republican Party has never advocated it to the extent that in order to secure foreign trade we should surrender the home market to foreign competitors. Neither has the party advocated giving the President discretionary and final authority in the negotiation of foreign trade agreements.

I deny that the McKinley Tariff Act of 1890 delegates tariff-making authority to the President. The Democrats can find nothing in that act either to embarrass the Republicans or to bolster their case. There the President had no authority to fix rates, since Congress both prescribed the articles which could be used as a basis for negotiation and fixed the rates which should be imposed if the President found the countries exporting any of the specified articles to the United States discriminated against our commerce. Furthermore, that measure did not propose to promote our export trade by reducing the rates on dutiable commodities, but by threatening to place retaliatory duties on articles otherwise free of duty.

The reciprocal trade agreements concluded by the President under the Dingley Tariff Act of 1897 were negotiated under similar authority, with Congress prescribing both the articles which could be used as a basis for negotiation and the retaliations or concessions in duty, as the case might be.

The Tariff Act of 1897 also authorized the President to negotiate general reciprocity treaties with foreign countries, but no treaty negotiated by him could become operative until it had been ratified by the Senate and approved by the Congress. Similar authority was given in the Democratic Tariff Act of 1913. Under the pending bill Congress retains no right of approval or rejection. Therefore, the authority granted is not comparable with that under these prior acts.

**RECIPROCAL TARIFF BILL
(H.R. 8637)**

Under the bill, the President is given the authority, "whenever he finds that any existing duties or other import restrictions are unduly burdening and restricting the foreign trade of the United States", (1) to enter into foreign trade agreements with foreign governments and (2) to proclaim such modifications of existing duties and other import restrictions as are required or appropriate to carry out any foreign trade agreement that he has entered into.

No proclamation may be made increasing or decreasing any existing duty by more than 50 percent, or transferring any article between the dutiable and free lists.

Reference has also been made to other acts of Congress as far back as 1794, which it is contended are precedents for delegating discretionary authority to the President. As I have previously stated these prior delegations of authority go not to the making of the law but to its execution. Thus the authority granted is administrative, not legislative. Under the pending bill the President's authority is clearly legislative.

Mr. Chairman, this proposed secret bartering with foreign nations not only permits the President to regulate foreign commerce and to adjust tariff duties, but it also fits into the administration's program of planned economy. The Secretary of Agriculture, in his recent article, *America Must Choose*, has given the country some light upon this phase of the subject, and unless I miss my guess we are going to hear a lot more about *America Must Choose* in the coming months, particularly next November.

Both the Secretary of State and the Democratic Members in charge of the bill deny that reciprocity has anything to do with the foreign-debt question, but as was pointed out at the hearings by the eminent economist, Samuel Crowther, these debts have a very direct bearing upon the question. The following colloquy occurred between Mr. Crowther and the gentleman from Tennessee [Mr. COOPER], and is found at page 457 of the hearings:

Mr. COOPER. The point is this, the question of foreign debts is in no way connected with this proposed bill.

Mr. CROWTHER. It does not make any difference, you can say heaven is not connected with the stars, but it does not make any difference, and if you say it does you are mistaken.

Again, on page 463, Mr. Crowther says:

Secretary Wallace wrote a pamphlet, *America Must Choose*, in which he sets forth this problem. That pamphlet was circulated by the Carnegie Foundation and the World Peace Foundation, and they have been the two leading advocates of debt cancellation.

Before thinking too much about weeding out our domestic industries, it would be well for the administration to point out where we are going to sell our surplus products abroad, and what products we will be able to dispose of, and at what prices. What do we have that the world wants which we can sell cheap enough to gain the foreign market from some other country? What does the world have that we want or need aside from the articles we are already importing?

We now import everything we need under the existing tariff act. So far as Europe is concerned, we are practically self-contained, and the articles which we must of necessity import from other countries are for the most part free of duty. We can expand our agricultural exports to manufacturing countries only by importing manufactured goods to the disadvantage of our own manufacturers. Likewise, we can expand our exports of manufactured goods to agricultural countries only by importing farm products to the disadvantage of our own agricultural producers. Therefore, we have nothing to gain by reciprocity.

It must be kept in mind that once we reduce the duties on our manufactured and agricultural products, and allow foreign countries to ship their goods into our rich domestic market, there is no assurance that any of our export industries will benefit by the sacrifice of the domestic producers of these goods. Foreign tariffs are known to be padded for bargaining purposes, and any reductions to our exporters may be wholly illusory. Also, our exporters are not guaranteed a foreign market, but only an opportunity to compete in the foreign market. If they cannot undersell the world, they cannot expect to get world trade. It then becomes pertinent to ask what domestic exports, if any, outside of automobiles and machinery, can be sold at a profit in world markets? Our wheat must compete with that of Canada, Argentina, and Australia. Our cotton must compete with that of Egypt, Brazil, India, and other low-wage countries. With the growth of manufacturing in such countries as Japan and Czechoslovakia, our own manufacturers are faced with ruinous competition in world markets.

Mr. Chairman, the argument is made that we should lower our tariff barriers, whatever they may be, and let the other countries of the world build up their purchasing power by

disposing of their surplus products in our markets, thereby enabling them, it is said, to buy more of our surpluses. But, Mr. Chairman, what about the purchasing power of the millions of men who are out of work in this country, and the additional millions dependent upon them for support? Before we take so much interest in the rest of the world, why not build up a little more purchasing power at home, and then our people will be able to buy more of the world's products without the necessity of tariff reciprocity, and without destroying our own industries and throwing millions more out of employment.

Perhaps we are our neighbor's keeper, as the Good Book says, but what has it profited us in the past? We spent millions to save the starving throughout the world; we spent millions to aid those stricken by disaster of one kind or another; we spent both men and billions to make the world safe for democracy; and how has it benefited us? Our past kindnesses have been forgotten, and even the loans we made have been defaulted. Before we destroy any of our own industries, it might be well if we could know how many industries the foreign countries are going to destroy in order that they can take more of our products.

We should not close our eyes to the fact that the domestic policies of all the countries of the world, at the present time, are essentially nationalistic. While the President would have us lead the way toward a reduction of world tariff barriers, we are likely to end up as we did not so many years ago when we sank our battleships in an effort to promote world peace while the other world powers tore up their blueprints. So far as our ability to negotiate is concerned, we have only to recall the recent experience we had in exchanging \$1,000,000 worth of our apples for \$10,000,000 worth of French champagne. We were bested 10 to 1 to start with, and then France refused to take the apples after they were shipped. As someone has well said, we have a habit of winning all our wars and losing all our conferences, and I know of no reason to think that tariff negotiations are going to be any exception.

Mr. Chairman, we come, then, to decide whether the pending bill, giving the President such broad and unprecedented powers over the tariff, international trade, and the future of every domestic industry, should be enacted. We are asked to vote the President the power to sit down in secret conference with foreign nations and determine the tariff rates which shall apply to foreign imports. We are asked to vote him the power to say what our people shall produce at home and what they shall buy abroad. We are asked to vote him the power to obliterate one industry for the benefit of another, and to do this without notice or hearing, or without reserving to Congress the right to approve or disapprove his action. We are asked to vote him the power to lower tariff rates and admit increased quantities of cheap foreign goods, produced at starvation wages, when our own people are walking the streets in search of work and women and children are crying for food. We are asked to do this when, even in the most prosperous times, our export trade was less than 10 percent of our production of movable goods. We are asked to do this when 94 percent of the national income is from domestic trade. And we are asked to do this when we have at home the richest market in the world, in which is done one half the world's business.

I say, Mr. Chairman, that the prosperity of this country does not depend upon its foreign trade but upon its domestic trade. It does not depend upon the purchasing power of the 2,000,000,000 people in the world outside the United States but upon the purchasing power of the 120,000,000 people within our own boundaries. With us foreign trade is secondary. With other countries it often is more important than domestic trade.

When we set out to raise the purchasing power of the rest of the world we should remember that it can only be done by reducing the purchasing power of our own people. And when we set out to break down world tariff barriers, the result will be not to bring the standard of living of other countries up to ours but to bring our standard down to theirs.

In conclusion, I wish only to say that the decision which must be made upon the issues thus presented is a momen-

tous one. The future of this country and the welfare of our 120,000,000 citizens is at stake. We must now decide between representative government and nationalism on the one hand, and autocracy and internationalism on the other. I am glad to say that the vote of the Republican minority will be upon the side of the Constitution and our own people.

In effect, the issue presented by this bill is a case of the administration versus the American people. The people are the supreme court of last resort, and they will eventually decide the question by their ballots. The Republican Party invites and awaits with expectancy the opportunity to meet this issue before the people in November. [Applause.]

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I yield the remainder of my time, 49 minutes, to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include therein excerpts and tables from certain papers to which I shall refer.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. VINSON of Kentucky. Mr. Chairman, throughout the consideration of this important measure it has been very evident that our Republican friends feel that at last they can take issue with the Democratic administration.

The statement of the distinguished gentleman from Massachusetts [Mr. TREADWAY], ranking minority member on the Ways and Means Committee, is conclusive that this tariff measure will be in the forefront in the political campaign now approaching. Our friends are always anxious to create fear in the minds of industry and the people, through mysterious ill effect that will follow the adoption of policies sponsored by the Democratic Party. If one thing has been demonstrated in this panic period, it is that the Democratic Party is worthy of the confidence of the people because of its leadership, vision, and courage. There is no chance to place responsibility for conditions upon the Democratic Party as of March 4, 1933. For 12 years our Republican friends were in control of the affairs of this Government. There was not a single day in this period that the Democratic Party could make a single law or determine policy with reference toward its administration. In all the economic history of this country there was never a darker hour than that which dawned on March 4, 1933. The sun was in eclipse. It was unable to break through a single cloud. This national gloom, amounting almost to despondency, was dissipated in the confident voice of that man of action, Franklin Delano Roosevelt, as he gave utterance to that memorable inaugural address. Industry, labor, agriculture, and the people generally of this country responded to his words of courage and his practical efforts to do the job. This bill is a major spoke in the wheel; and even after weeks in which the tom-toms have been sounded, our friends on the left are unable to present any real opposition to the bill.

Mr. Chairman, the distinguished gentleman who preceded me says that he welcomes the opportunity for the American people to express themselves at the polls upon this issue. In this hope, he must hear the voice of the American people in its last expression, 1932. He may have some hope that a different expression now will be heard; but according to his own statement just made, I am inclined to think that, in his heart of hearts, he is doubtful of any change in American opinion. He has just said that this Congress would not grant the powers conferred upon the present President to any Republican President. I call to his attention the fact that this bill will be in effect after the people speak in 1936, in the election of a President. The President then elected will have such powers. So, in effect, he is conceding that Franklin Delano Roosevelt will be reelected in 1936.

This able legislator refers to the tariff as being the foundation stone of American prosperity and standard of living. If the American people ever expressed their views, if their voice has ever been heard, it was that the Smoot-Hawley tariff bill is not the foundation stone of American industry, prosperity, or standard of living.

OPponents SET UP STRAW MEN

Mr. Chairman, as I see it, fear is the strongest motivating power in the world, with the exception of love. When fear grips the hearts and souls of strong, stalwart people, they become craven, cowardly, and weak. I say here and now, with all the friendliness that exists between individual Members on both sides of the aisle, that this debate shows bitter, partisan, political utterances, speeches made for home consumption, theories adduced that could only come from the minds of men who are overwhelmed with fear. If they are not so overwhelmed, it is a deliberate attempt to create fear in the American people. The whole opposition is one inspired by fear. The most trivial arguments come from distinguished legislators. They could come only from fear. They set up imaginary men of straw in order to knock them down.

For instance, I heard that splendid young statesman, the gentleman from Illinois [Mr. DIRKSEN], talk about corn and the effect of importations of corn upon the domestic product. He said he represented a district in the Corn Belt and that it was going to wreck his people and destroy their interests and rights. This is a splendid thing to talk to the folks back home, to say that these cursed Democrats did not have the interests of the corn farmer in their minds when they passed this bill—that it was this tariff bill that affected adversely the price of corn.

Mr. Chairman, when we consider that in 1932 there were only 348,000 bushels of corn imported into this country and that same year the domestic production was 2,900,000,000 bushels-plus; when we consider that the imported corn was only one eightieth of 1 percent of the domestic production, we know it could have no effect on the domestic price, we can easily see what fear will do. It is pure political buncombe.

Mr. KNUTSON. Will the gentleman yield?

Mr. VINSON of Kentucky. The gentleman was so gracious to me on several occasions in refusing to yield, I know he recognizes my position.

Mr. KNUTSON. What is the present rate on corn, may I ask?

Mr. VINSON of Kentucky. The present rate is 25 cents a bushel, and along about 1931 Canada came along and put on a retaliatory tariff of 25 cents a bushel. We have not benefited by the tariff. The tariff is not effective on corn. Any child knows that. [Applause.]

Mr. KNUTSON. May I suggest to the gentleman that Canada does not produce corn?

Mr. VINSON of Kentucky. Of course, it does not in proportion to our production, but they retaliated against our corn farmers because we had this tariff on corn. They put a tariff on corn and prevented our selling corn which we had for sale to the Canadian consumer. That is the very point involved here. This Canadian barrier was there when our corn was selling for less than 10 cents a bushel.

Other countries have set up tariff barriers against our commodities and our products. The Smoot-Hawley bill reached the zenith in protectionism. My friends prate about the glories of America and its prosperity, but it was all prior to the Smoot-Hawley tariff bill of 1930.

Occasionally our friends in their desperation refer to the Democratic tariff policy as tending toward free trade. Since I have been in Congress, I have not seen or heard a free trader. I know of no one on the Democratic side of the House who does not believe that American industry, labor, and agriculture should be protected against a flood of foreign-made goods that would destroy our industries, our wage scale, and the price for agricultural products. But there is a difference between a reasonable tariff upon the articles which would benefit our people and the tariff that has practically destroyed industry, deprived labor of its opportunity to have a living wage, and bankrupted the farmers of America. The facts are that the Smoot-Hawley tariff law was the most important factor in bringing on the panic. It was too much tariff. It seems to me that the tariff question might be likened to the use of salt—no one would deny that a reasonable use of salt on certain edibles is not only

pleasant to the taste but necessary to produce the taste. At the same time, no one would suggest that where a few grains of salt were necessary to produce the condition desired that they would douse it with a spoonful of salt.

THE GOLD STANDARD

Mr. KNUTE HILL. Will the gentleman yield on that very point?

Mr. VINSON of Kentucky. I shall have to decline to yield, because my time is running on.

Then the distinguished gentleman from New York [Mr. FISH] comes on and he brings up a new theory, a new idea in economics, that going off the gold standard and devaluing the gold in the dollar have lowered the tariffs in this country; but when attempt was made to question him; he declined to yield.

Mr. Chairman, the record is unquestionable. It caused an increase in the cost of imports from gold-standard countries. The depreciation of our currency had a salutary effect so far as our exports were concerned, so far as the tariff walls of other countries were concerned, but so far as our own country was concerned, it was an added barrier, and it requires this sort of legislation to equalize the situation.

Our friends talk about our being unable to compete with foreign countries because of added cost due to the National Recovery Act. Going off the gold standard and the devaluation of the gold dollar automatically increased costs of imports from gold-standard countries at least 50 percent. This increase is somewhat less when the imports come from countries which have already depreciated their currency. This increase more than makes up any additional cost due to the National Recovery Act. This bill does not change the present tariff rates, except those affected by foreign-trade agreements.

No lesser authority than Hon. Daniel C. Roper, Secretary of Commerce, is presented upon this point. In his testimony before our committee on the pending bill, he met this fallacious argument squarely. We quote from pages 65 and 66 of the Ways and Means Committee hearings on this bill:

... with the recent devaluation of the American dollar to 59 cents, it now takes nearly 69 percent more dollars to pay for any particular foreign import shipment than it did a year ago, assuming the foreign price has not changed. There has thus been brought into operation an additional all-around tariff protection or handicap on imports, which has been in only small measure offset by increased costs of production or prices of domestic products resulting from the N.R.A., or other recovery measures. In other words, prices in this country could increase to approximately 70 percent over a year ago before domestic producers would be under any increased pressure from foreign imports, except insofar as the exchange values of particular foreign currencies have also depreciated—and very few have depreciated as much as the American dollar * * *.

Fear, Mr. Chairman, as I have stated, is the most potent thing that moves man save the power of love. Oh, how many years have we heard about the gold dollar, its sanctity and its sacredness. The gold standard was held up to be the cause of our strength and our prosperity even when it had ceased to be of benefit. We did not know much about the mechanics of money back in those days—folks were afraid to think of it. The gentlemen who benefited by having the gold dollar remain in its swollen condition said it would mean wreck, ruin, and havoc to America if we went off the gold standard. Some of us had pulled the curtain aside and were not frightened—we were radicals invading the sacred precincts of the temple of the international bankers.

We went off the gold standard, and from that moment to now we are approaching the prosperity of former days.

The high apostle of industry spoke of that to our committee. James A. Farrell, former President of the United States Steel Co., now connected with the National Chamber of Commerce in this country, when asked by a gentleman, expecting a different answer, said the only trouble about our being off the gold standard was that we had not gone off 18 months earlier.

AGRICULTURE AND INDUSTRY ARE TO BE HELPED—NOT HURT

My friends, there have been some statements made that I know could only come through the heat of debate—state-

ments made on the floor of the House in this debate where the words were not properly chosen.

For instance, one gentleman on the minority side, on Monday last—page 5457 of the RECORD—made the statement that a witness before the Agricultural Committee representing the Department of Agriculture said that "Any industry that needs the protection of a tariff is an inefficient industry." I could not believe that anyone could have made that statement, and I asked the gentleman to insert in the RECORD that part of the testimony.

Before we could get to that, the minority leader and other gentlemen on that side of the aisle had concluded from the words of the Member of the House that the Secretary of Agriculture had made that statement.

The gentleman was quick to admit that it was not the Secretary of Agriculture who made such statement but some representative of the Agricultural Department. The gentleman inserted the testimony. When you look at it on page 5458 of the RECORD, you will not find that such statement was made by the witness.

This is the evidence involved:

Mr. BOILEAU. Do you want to say, then, as a general statement, that those agricultural commodities that require a protective tariff are necessarily economically not justified for production in this country?

Mr. WEAVER. Well, I would like to know what commodities you have in mind. There might be some.

Mr. BOILEAU. Well, for instance, there is a tariff that is rather high on dairy products. It is necessary to have that tariff in order to protect the domestic dairyman.

Mr. WEAVER. I would rather not comment upon that particular tariff. My impression is, as to most agricultural tariffs, that they are of doubtful benefit to agriculture as a whole.

Mr. BOILEAU. I disagree with that, of course.

Then the distinguished and capable minority leader [Mr. SNELL], page 5434 of the RECORD, got "sort of het up" and made the statement that the Secretary of Agriculture announced that all inefficient industries must be destroyed.

Now, my friends, that statement has been made again and again on this floor and in the press; it probably has gone to the country that such is the attitude of the Secretary of Agriculture. I ask any fair man or woman to read the hearings before any committee of this Congress, and he will not find that that philosophy is expressed. He did not express it before the Agricultural Committee, he did not express it before the Ways and Means Committee.

He said it would be good policy that inefficient industries should not expand, but nowhere, so far as I can find, did he say that there should be a destruction of such industry or any industry within the confines of this country.

TIME LIMIT FOR BILL

They bring up many reasons for opposition to the bill. They talk about no time limit to the bill. Some have gone so far as to say that if we had a time limit on the measure, they might support it.

Let me say to my Republican friends that you are going to have an opportunity to support an amendment of that character that will be offered by the Ways and Means Committee as a committee amendment.

My very capable colleague, the gentleman from Massachusetts [Mr. McCORMACK], moved in committee this morning the adoption of such an amendment, and you will have an opportunity to limit the provisions of this act to a period of 3 years from the date of its enactment. [Applause].

I am glad you are applauding on the Republican side. How many of you will vote for the bill if that amendment is adopted? Not a single one.

Mr. FREAR. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. Yes.

Mr. FREAR. I am proposing to offer an amendment limiting it to 1 year. Will the gentleman vote for that?

WAR DEBTS NOT TO BE REDUCED OR CANCELED

Mr. VINSON of Kentucky. I shall follow the committee amendment. I do not believe a 1-year period is sufficient to get maximum results. I am fearful that the gentleman is proposing something on which he might be able to make a stronger speech to his people than he will be when another

amendment will be offered by the Committee on Ways and Means, as a committee amendment. The gentleman is one of the most capable men in the House. He is adroit, he is capable, he is a profound student. He looked down through this bill, and he thought that he could see some political significance in respect to war debts. He made a strong speech on the floor of the House in regard to war debts and their position on foreign-trade agreements. He quoted from the testimony of the witness, Samuel Crowther, in regard to war debts, and he said we could not have any reciprocal tariff agreement unless the war-debt question could come in, and it could come in only through a reduction or a cancellation. I am stating substantially his viewpoint.

This morning I offered in committee the following amendment as a new section:

SEC. 3. Nothing in this act shall be construed to give any authority to cancel or reduce in any manner the indebtedness of any foreign country to the United States.

If and when that amendment is adopted—and it will be adopted—the gentleman will not have an opportunity in speaking to his constituents in Wisconsin to say that reduction or cancellation of our war debt is going to be involved in these foreign-trade agreements.

Mr. FREAR. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. Yes.

Mr. FREAR. That amendment, as drawn, is extremely limited. I have one that is more general, that will cover far more and prevent any opportunity—

Mr. VINSON of Kentucky. I must decline to yield further. This amendment is limited, the gentleman says, when it states that "nothing in this act shall be construed to give any authority to cancel or reduce in any manner any of the indebtedness of any foreign country to the United States." One could not have broader language than that, I submit.

Mr. FREAR. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. Yes.

Mr. FREAR. I suggest a substitution.

Mr. VINSON of Kentucky. The gentleman may do that, I say that when gentlemen go back home, they can talk with greater force in respect to amendments offered and not adopted than they can in regard to anything involving war debts. There has never been anything in this bill that gave power to the President of the United States to reduce or cancel war debts, but the intimations in certain speeches of gentlemen, outright charges in others, and certain other things that we have learned, indicated that it was the purpose of our Republican friends to drag that into the political campaign. That is out of it now.

RECIPROCAL AGREEMENTS AUTHORIZED UNDER MCKINLEY AND DINGLEY ACTS

Our good friend, the distinguished minority leader, made a profound statement. It was as good a political speech as could be prepared from his angle. It was a splendid speech. On page 5437 of the RECORD, Mr. SNELL said:

Mr. Chairman, while I am in favor of reciprocal tariff agreements such as were contemplated under the McKinley and Dingley tariff laws which would not be disadvantageous to our domestic market but upon terms representing true reciprocity, I am unalterably opposed to opening our markets to foreign-made goods by bartering away our American industry.

If that does not cover the ground, the English language cannot do it. He favors reciprocal-trade agreements, not treaties, that were made under the McKinley Act and under the Dingley Act, where we sought to secure advantage for our products and commodities by taking certain articles from the free list and putting them on the dutiable list—sugar, coffee, tea, molasses, hides (McKinley Act)—a power that is not granted in this bill. He favors doing that in order to get advantage in commerce, but says that under this bill he is not in favor of opening our markets to foreign-made goods by bartering away our industries.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. Yes.

Mr. DOUGHTON. Surely my colleague must be in error. Surely the minority leader did not want to put a tax on coffee.

Mr. VINSON of Kentucky. He said that he was in favor of reciprocal-trade agreements such as could have been made under the McKinley Act and the Dingley Act. The McKinley Act authorized the President to take coffee, tea, sugar, molasses, and hides from the free list and put them on the dutiable list, thereby raising the cost of these articles to the coffee and tea drinkers and the sugar consumers in this country, articles which we do not produce.

My distinguished friend, Mr. SNELL, favors reciprocal-trade agreements—

Which would not be disadvantageous to our domestic market but upon terms representing true reciprocity.

But he says:

I am unalterably opposed to opening our markets to foreign-made goods by bartering away our American industry.

My friends, if that is not getting on both sides of this proposition, in a little more than six lines of printed matter, it cannot be done. Certainly, the purpose of the reciprocal-tariff agreements contemplated under the McKinley-Dingley tariff laws required our taking foreign-produced goods in exchange for domestically produced goods. Certainly no one contemplated under the McKinley-Dingley tariff laws that such agreement would be disadvantageous to our domestic markets.

So, I say to the capable minority leader that when he favors reciprocal-tariff agreements contemplated, and in fact executed, under the McKinley-Dingley law, he should espouse the passage of this bill, because the purpose of this legislation is to permit of reciprocal-tariff agreements advantageous to our domestic market. There will be the same thought in the negotiation of these agreements that prevailed in the negotiations of the agreements under the Republican legislation—the McKinley-Dingley Acts and that is, that the trade agreements will be of such nature as that advantages will be secured unto American industry and agriculture. Mr. SNELL was willing to open our markets to foreign-made goods under the acts referred to, to secure advantages to our home producers; Mr. SNELL was willing to barter away American industry and agriculture under the McKinley and Dingley Acts. So, I submit that when the gentleman admits favoring reciprocal-tariff agreements under the McKinley-Dingley tariff laws, that he should favor this legislation, or to put it mildly, be less vicious in his attitude toward it because the question of advantage, benefits to American industry and agriculture runs through this legislation, from the first word to its last expression, help rather than hurt is the motivating force behind this legislation.

THIS LEGISLATION BACKED BY MANY PRECEDENTS

My friends, we are proceeding with the legislation today, backed by precedents that began in 1794. This is not a new proposition. This did not develop overnight. This has been in the economic structure of this country for more than 100 years. The platform promulgated at Chicago in 1932, upon which Democrats were elected, upon which the American people gave their expression of opinion, said:

We advocate a competitive tariff for revenue, with a fact-finding Tariff Commission free from Executive interference, reciprocal-tariff agreements with other nations, and an international economic conference designed to restore international trade and facilitate exchange.

Our Republican friends, some of them, endeavor to carry the words "free from Executive interference" away from the fact finding of the Tariff Commission, and hook them as a limitation upon the next phrase that deals with reciprocal-trade agreements. This language is in cold print—this just cannot be done.

They cannot change the language, they cannot change the punctuation, they cannot make anyone who can read believe that it reads that way. Our present policy, as expressed in this bill, did not start in 1932. Back in 1924

the Democratic platform had something to say about such trade arrangements. Among other things, it said:

We denounce the Republican tariff laws which are written in great part in aid of monopolies and thus prevent that reasonable exchange of commodities which would enable foreign countries to buy our surplus agricultural and manufactured products with resultant benefit to the toilers and producers of America. Trade interchange, on the basis of reciprocal advantages to the countries participating, is a time-honored doctrine of Democratic faith.

When the Democrats and administration forces stand behind this bill, they are simply carrying out another platform pledge that was made to be carried out, and not simply manufactured upon which men could be elected.

In January last the Senate called upon the Tariff Commission to make a recommendation with reference to tariff treatment, and on March 29 they submitted a letter to the Senate that deals with this important subject. Among other things they said:

Congress might frame a law for bilateral tariff bargaining which would authorize the President, when he had arranged a tariff bargain with a certain foreign country, the concession by the foreign country being a reasonable return for a concession by the United States to issue a proclamation stating those facts and naming the reduced rates on specific articles imported into the United States.

It has been thought about longer than that. Here comes the spokesman of industry, the gentleman who appeared before our committee representing the National Chamber of Commerce, which the gentleman from California [Mr. EVANS] said was in existence mainly to promote foreign trade. That is the first time I ever heard such a statement. I know the gentleman said it in good faith, possibly with reference to his local organization, but a chamber of commerce promoted primarily for foreign-trade purposes was a new thought to me. In May of last year this National Chamber of Commerce at its annual meeting favored the initiation of negotiations for agreements like this, as follows:

The safeguarding and advancement of our foreign trade should be the purposes of a vigorous foreign commercial policy of our Government. Adaptation of our American economic structure to present world conditions calls for most careful scrutiny of existing policies. Keeping in mind always the necessity of assuring stability to our internal industrial and agricultural enterprises, through reasonable protection for American industry, our Government should have power to initiate reciprocal tariff arrangements with foreign countries where such bargaining would be clearly in our national interest. Such agreements would complement our existing flexible tariff in establishing for our country a tariff policy fair alike to our home industry and our competitors abroad.

My friends, when you take the Democratic platform of 1924 and of 1928, and when you take the study made by the Tariff Commission under Mr. Hoover, and when you take the utterances of the chamber of commerce, we are following a beaten path with reference to this sort of policy. It is a policy not to harm American industry or American agriculture but a policy to help them.

President Roosevelt will use care and caution in purpose to help domestic agriculture and industry.

I make that last statement upon no lesser authority than the President of the United States. I quote from his message requesting this authority, dated March 2, 1934:

Other governments are to an ever-increasing extent winning their share of international trade by negotiated reciprocal-trade agreements. If American agricultural and industrial interests are to retain their deserved place in this trade, the American Government must be in a position to bargain for that place with other governments by rapid and decisive negotiation based upon a carefully considered program, and to grant with discernment corresponding opportunities in the American market for foreign products supplementary to our own.

I would emphasize that quick results are not to be expected. The successful building-up of trade without injury to American producers depends upon a cautious and gradual evolution of plans.

The exercise of the authority which I propose must be carefully weighed in the light of the latest information so as to give assurance that no sound and important American interest will be injuriously disturbed. The adjustment of our foreign-trade relations must rest on the premise of undertaking to benefit and

not to injure such interests. In a time of difficulty and unemployment such as this, the highest consideration of the position of the different branches of American production is required.

Legislation such as this is an essential step in the program of national economic recovery which the Congress has elaborated during the past year. It is part of an emergency program necessitated by the economic crisis through which we are passing.

These quotations make it apparent to all that the policy of care and caution will be followed in the exercise of the powers herein conferred. That its purpose is to "build up trade without injury to American producers"—its purpose is to help rather than hurt, or, as the President so well says:

The exercise of the authority which I propose must be carefully weighed in the light of the latest information so as to give assurance that no sound and important American interest will be injuriously disturbed. The adjustment of our foreign-trade relations must rest on the premise of undertaking to benefit and not to injure such interests. In a time of difficulty and unemployment such as this, the highest consideration of the position of the different branches of American production is required.

Mr. KNUTSON. Will the gentleman yield for a question?

Mr. VINSON of Kentucky. I yield.

Mr. KNUTSON. Did my friend notice in the morning paper that the textile manufacturers of Poland have entered into a contract to purchase 200,000 bales of cotton from Russia?

CANADA NOW SETTING UP SIMILAR MACHINERY

Mr. VINSON of Kentucky. But if we had granted this authority to our Executive, we might have been in a position to secure that purchase for the American cotton producer.

I want to call the gentleman's attention to another article that appeared in a newspaper, and I think I should say now it was through the vigilance of the gentleman from Oklahoma [Mr. McClintic] that I am permitted to bring this to your attention. I know it will have weight with the distinguished gentleman from Minnesota [Mr. Knutson]. It is a paper dated March 26, last Monday. It is printed in Montreal. The paper is the Montreal Daily Star.

The headline reads:

Dominion marketing board is set up.

The subheadline:

To control prices and exports.

My friends, even while we were debating this question, our nearest neighbor, our friend on the north, is putting into operation machinery similar to this in order to protect its agriculture and its industries.

Further subheadlines:

Wide powers given under act introduced in Commons. Watch imports.

I read from the paper:

Powers are provided to limit or increase the export from Canada of any regulated product at any time, and to control interprovincial trade as well.

I now read from the paper what purports to be a quotation from the bill itself:

The Government is also empowered "to restrict the importation into Canada of any natural product which enters Canada in competition with a regulated product, and the Governor in Council shall have power to make regulations to provide for the licensing by the Minister of Imports" or otherwise enforce the restrictions.

So we have it brought to us, even during consideration of this bill, that one of our best customers is now considering legislation of like character to this. We must confer this authority to act before we lose all chances to secure our portion of the world trade. We should hasten the day of rehabilitation in this respect.

Since January 1, 1933, there have been 68 foreign-trade agreements entered into by countries in which agreements our country was not a party.

Mr. McCORMACK. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. McCORMACK. May I suggest to my friend that in the political opposition to anything that the Democratic Party might undertake, the Republican Party in the House

has diverted itself from its traditional policy and has been forced and has accepted a policy of economic isolation?

Mr. VINSON of Kentucky. I do not know whether that is the policy of the membership on the minority side in this debate or not. Some of them take that position. Some of them take the other position, and some of them take both positions. It is a question of just which part of their speeches they will use for home consumption when they want to keep the home fires burning. In regard to that proposition, we have heard the Secretary of Agriculture attacked as a nationalist and abused because of the curtailment program.

Then we have heard him accused of being an internationalist; but when you read the document quoted "America Must Choose", you will see that Secretary Wallace states that, in his opinion, the American Congress and the American people will take the middle of the road; that they will use the good of nationalism and the benefits that would come from increasing our export trade, or what my friends might be pleased to term "internationalism."

WE ARE LOSING EXPORT TRADE

But, Mr. Chairman, let me call your attention to the fact that something has happened to us; it has already happened; we have got to operate, and it is going to be a major operation, because the official figures tell me that world exports in 1929 were \$33,000,000,000 plus; that in 1933 they were \$11,000,000,000 plus, a 67-percent reduction.

They tell me that the export trade of the United States in 1929 was \$5,100,000,000 plus; in 1933, \$1,100,000,000 plus. In other words, while the exports of the world were lowered by a ratio of 3 to 1, those of Uncle Sam dropped by a ratio of 4½ to 1. The story with regard to world imports is \$35,600,000,000 plus for 1929 and \$12,000,000,000 minus for 1933—3 to 1, whereas the figures on imports for Uncle Sam were \$4,300,000,000 plus in 1929 and \$1,100,000,000 in 1933, or a ratio of 4 to 1.

When we consider the entire world trade, exports, and imports, it will be found that the reduction in the world's trade is 2½ to 1, roughly, whereas for Uncle Sam the ratio is 4 to 1.

In other words, you might say that it was declining world trade that put us in this condition; but not only did we suffer our proportionate share of the decline in world trade, but we lost 2.9 percent more than our actual percentage of the world trade; and we lost it because foreign countries have entered into these trade agreements and are taking our markets for that which we produce in both field and factory.

They talk about fear of imports. Why, Mr. Chairman, who expressed any fear of imports back in 1929, unless they were tariff hogs? Our industries were thriving, the wheels were turning, the smoke was rolling out of the stacks, men had full dinner pails and something in their pay envelopes; they had happy homes and happy families; men were at work, and this country was prosperous. Yet that was a time when our imports were four times their present figure. Then we heard expressed no fear of imports.

Let me say to my friends on the minority side, and I ask them to consider this seriously, that since the beginning of time, since the creation of nations, no country has acquired front rank amongst the nations of its time unless it had developed its commercial possibilities and entered into world trade. Think it over when you talk about nationalism and being self-contained. You can go back to the Phoenicians, the Carthaginians, the Greeks, and the Romans, and from that point follow history right down to the present time and you will find nothing to lessen the force of this statement.

I wonder what makes Great Britain a world power, that little dot in an ocean, that island kingdom which could be lost entirely in any one of a dozen of its possessions! Her success is due because she has applied the lessons of history to her trade relations with her possessions. That is why Great Britain in days gone by occupied and today still occupies its position in world affairs.

CONSTITUTIONALITY

I shall merely touch the argument raised with respect to the constitutionality of the bill because this phase of the matter was ably treated by other gentlemen, particularly the gentleman from Washington, Mr. HILL, the gentleman from Ohio, Mr. WEST, our distinguished chairman, the gentleman from North Carolina, Mr. DOUGHTON, and others.

Mr. Chairman, I expected to hear a real attack upon the constitutionality of this bill when the distinguished jurist, the gentleman from Pennsylvania, Mr. BECK, took the floor. I heard every word he uttered, I read every word he put in his prepared statement, but nowhere does he point to a single decision of the Supreme Court that would indicate that this bill was unconstitutional. From his statements I gather he fears it will be upheld constitutionally. He makes a great speech, highly logical and persuasive if it were first impression. I frankly say I took this view from reading general statements respecting delegation of power. But I was wrong. Our Supreme Court has settled this question many times—so clearly and unmistakably that it is not open to serious discussion at this time. He said that Congress could not delegate legislative power to the President. No one disagrees with that statement; we could not do it if we wanted to. The fact of the matter is, however, that for more than 100 years the Supreme Court has been passing upon statutes conferring similar powers; and they have said that this is not a delegation of legislative power; it is by legislation, placing discretion in the hands of the Executive to enforce and execute legislative enactments.

No one would claim this bill was unconstitutional who stopped to think about the Payne-Aldrich bill where power was lodged in the President to determine within minimum rates and maximum rates what tariff should be laid on certain classes of imports. If my memory serves me correctly, there were 134 proclamations put into execution under the authority granted in that bill. The question of constitutionality was raised, but the Supreme Court upheld this placing of discretion in the hands of the Executive. And so with the Dingley Act, and so with the McKinley bill; and we have it in the law today.

My friend from Massachusetts [Mr. TREADWAY] referred to section 336 and talked about the Tariff Commission. In it you have a yardstick and the fact-finding body named. However, in section 338 no Tariff Commission is mentioned, and no yardstick is contained; in that section it is a question of the President of the United States determining whether discrimination has been suffered by an American industry at the hands of any foreign country; and that is what this bill does.

In order that there can be no doubt about the powers conferred by section 338 of the Smoot-Hawley Act, I insert it in full herewith:

SEC. 338. DISCRIMINATION BY FOREIGN COUNTRIES

(a) Additional duties: The President when he finds that the public interest will be served thereby shall by proclamation specify and declare new or additional duties as hereinafter provided upon articles wholly or in part the growth or product of, or imported in a vessel of, any foreign country whenever he shall find as a fact that such country—

(1) Imposes, directly or indirectly, upon the disposition in or transportation in transit through or reexportation from such country of any article wholly or in part the growth or product of the United States any unreasonable charge, exaction, regulation, or limitation which is not equally enforced upon the like articles of every foreign country; or

(2) Discriminates in fact against the commerce of the United States, directly or indirectly, by law or administrative regulation or practice, by or in respect to any customs, tonnage, or port duty, fee, charge, exaction, classification, regulation, condition, restriction, or prohibition, in such manner as to place the commerce of the United States at a disadvantage compared with the commerce of any foreign country.

(b) Exclusion from importation: If at any time the President shall find it to be a fact that any foreign country has not only discriminated against the commerce of the United States, as aforesaid, but has, after the issuance of a proclamation as authorized in subdivision (a) of this section, maintained or increased its said discriminations against the commerce of the United States, the President is hereby authorized, if he deems it consistent with the interests of the United States, to issue a further proclamation

directing that such products of said country or such articles imported in its vessels as he shall deem consistent with the public interests shall be excluded from importation into the United States.

(c) Application of proclamation: Any proclamation issued by the President under the authority of this section shall, if he deems it consistent with the interests of the United States, extend to the whole of any foreign country or may be confined to any subdivision or subdivisions thereof; and the President shall, whenever he deems the public interests require, suspend, revoke, supplement, or amend any such proclamation.

(d) Duties to offset commercial disadvantages: Whenever the President shall find as a fact that any foreign country places any burden or disadvantage upon the commerce of the United States by any of the unequal impositions or discriminations aforesaid, he shall, when he finds that the public interest will be served thereby, by proclamation specify and declare such new or additional rate or rates of duty as he shall determine will offset such burden or disadvantage, not to exceed 50 percent ad valorem or its equivalent, on any products of, or on articles imported in a vessel of, such foreign country; and 30 days after the date of such proclamation there shall be levied, collected, and paid upon the articles enumerated in such proclamation when imported into the United States from such foreign country such new or additional rate or rates of duty; or, in case of articles declared subject to exclusion from importation into the United States under the provisions of subdivision (b) of this section, such articles shall be excluded from importation.

(e) Duties to offset benefits to third country: Whenever the President shall find as a fact that any foreign country imposes any unequal imposition or discrimination as aforesaid upon the commerce of the United States, or that any benefits accrue or are likely to accrue to any industry in any foreign country by reason of any such imposition or discrimination imposed by any foreign country other than the foreign country in which such industry is located, and whenever the President shall determine that any new or additional rate or rates of duty or any prohibition hereinbefore provided for do not effectively remove such imposition or discrimination and that any benefits from any such imposition or discrimination accrue or are likely to accrue to any industry in any foreign country, he shall, when he finds that the public interest will be served thereby, by proclamation specify and declare such new or additional rate or rates of duty upon the articles wholly or in part the growth or product of any such industry as he shall determine will offset such benefits, not to exceed 50 percent ad valorem or its equivalent, upon importation from any foreign country into the United States of such articles; and on and after 30 days after the date of any such proclamation such new or additional rate or rates of duty so specified and declared in such proclamation shall be levied, collected, and paid upon such articles.

(f) Forfeiture of articles: All articles imported contrary to the provisions of this section shall be forfeited to the United States and shall be liable to be seized, prosecuted, and condemned in like manner and under the same regulations, restrictions, and provisions as may from time to time be established for the recovery, collection, distribution, and remission of forfeitures to the United States by the several revenue laws. Whenever the provisions of this act shall be applicable to importations into the United States of articles wholly or in part the growth or product of any foreign country, they shall be applicable thereto whether such articles are imported directly or indirectly.

(g) Ascertainment by Commission of discriminations: It shall be the duty of the Commission to ascertain and at all times to be informed whether any of the discriminations against the commerce of the United States enumerated in subdivisions (a), (b), and (e) of this section are practiced by any country; and if any when such discriminatory acts are disclosed, it shall be the duty of the Commission to bring the matter to the attention of the President, together with recommendations.

(h) Rules and regulations of Secretary of the Treasury: The Secretary of the Treasury with the approval of the President shall make such rules and regulations as are necessary for the execution of such proclamations as the President may issue in accordance with the provisions of this section.

(i) Definition: When used in this section, the term "foreign country" means any empire, country, dominion, colony or protectorate, or any subdivision or subdivisions thereof (other than the United States and its possessions), within which separate tariff rates or separate regulations of commerce are enforced.

It is evident that no fact-finding commission is set up in this section, nor is there any yardstick, the absence of which in this bill is the cause of such complaints. This power in the President, originally coming into the law in a Republican administration, confers this exercise of discretion upon the President "when he finds that the public interest will be served." The fact-finding is imposed upon the President of the United States, who, of course, may use such agency as he sees fit. There is no measuring rod in this section.

The language of the pending bill, in first part of section 1, sets forth its purpose. The gentleman from Massachusetts

[Mr. TREADWAY] said they were pretty words. They are more than pretty words; they are a legislative expression of conditions, purposes, and intent.

The language, which is so very important, follows:

PART III—PROMOTION OF FOREIGN TRADE

SEC. 350. (a) For the purpose of expanding foreign markets for the products of the United States (as a means of assisting in restoring the American standard of living, in overcoming domestic unemployment and the present economic depression, in increasing the purchasing power of the American public in the present emergency, and in establishing and maintaining a better relationship among various branches of American agriculture, industry, mining, and commerce) by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to those branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States, the President, whenever he finds that any existing duties or other import restrictions are unduly burdening and restricting the foreign trade of the United States or that the purpose above declared will be promoted by the use of the powers herein conferred, is authorized.

Then whenever the President finds that "any existing duties or other import restrictions are unduly burdening and restricting the foreign trade of the United States or that the purpose above declared will be promoted by the use of the power herein conferred", he may enter into these foreign-trade agreements and issue a proclamation within limits increasing or decreasing the rates that are now on the books by not more than 50 percent.

SUBSTANTIAL AID TO AGRICULTURE AND INDUSTRY

There is no imposition of tariff rates. There is no imposition of tax levies in this bill. The rates remain on the books as is with this discretionary power in the hands of the President.

The gentleman from Michigan [Mr. WOODRUFF] talks about 90 percent domestic consumption and 10 percent export production. This looks like 9 to 1. But, Mr. Chairman, when you consider this vast array of articles treated by the gentleman from Ohio [Mr. WEST] and the percentage of their production that goes into the export trade, you will see a vastly different picture. When you think of the proportion of cotton, wheat, tobacco, lard, and rice that goes into the export trade, you will see a different picture; 55 to 60 percent of our cotton production goes to the export trade; wheat 20 percent, tobacco 40 percent, lard 50 percent, and rice 30 percent.

Mr. Chairman, it is estimated here that 7,000,000 American citizens are involved and are dependent in large degree upon our export trade. I think this figure is small. I will tell you why I think it is small. There are 432,000 tobacco farms in this country. If you take the farmer, his wife, and family as an average of 5, and 1 tenant with an average family of 3, you have a total of 8. That is 3,456,000 people right there. Forty percent of the product goes into the foreign trade, which means that practically a million and a half people growing tobacco are dependent upon keeping open to tobacco the markets of the world.

I submit the following statements which I found most interesting:

The value of the exports of the following principal articles in 1932 was the lowest in years, to wit:

Articles:	Lowest since
Meat products.....	1870
Animal fats and oils.....	1889
Leather.....	1894
Wheat, including flour.....	1905
Oil cake and meal.....	1918
Rubber and manufactures.....	1915
Tobacco, unmanufactured.....	1917
Cotton, raw (with one exception, 1931).....	1903
Cotton manufactures.....	1911
Sawmill products.....	1890
Other wood manufactures.....	1893
Coal and coke.....	1910
Petroleum and products.....	1915
Iron and steel mill products.....	1903
Copper and manufactures.....	1895
Machinery of all classes.....	1915
Automobiles, including engines and parts.....	1915

Extent of decrease in exports in 1932 as compared with 1929

Article	1929	1932
Meat products.....pounds..	1,273,000,000	1,824,000,000
Milk, condensed.....do.....	116,000,000	1,88,000,000
Sardines.....do.....	123,920,000	1,63,247,000
Salmon, canned.....do.....	40,967,000	1,24,222,000
Wheat.....bushels.....	164,000,000	130,000,000
Oats.....do.....	16,000,000	4,000,000
Rye.....do.....	9,000,000	1,000,000
Corn.....do.....	42,000,000	4,000,000
Oranges.....boxes.....	4,223,000	3,534,000
Apples.....bushels.....	26,264,000	21,318,000
Tobacco leaf.....pounds.....	566,000,000	432,000,000
Anthracite coal.....tons.....	3,496,000	1,303,000
Bituminous coal.....do.....	17,429,000	8,814,000
Leather boots and shoes.....pairs.....	4,807,000	1,100,000
Rubber boots and shoes.....do.....	12,372,000	1,309,000
Automobile tires.....number.....	2,796,000	908,000
Cigarettes.....do.....	8,456,000,000	2,417,000,000
Rosin.....barrels.....	1,133,000	1,011,000
Turpentine.....gallons.....	14,175,000	13,520,000
Cotton yarn.....pounds.....	27,491,000	14,272,000
Hosiery.....dozen pairs.....	5,779,000	1,849,000
Lumber.....board-feet.....	3,078,000,000	1,646,000,000
Gasoline and benzol.....barrels.....	60,801,000	33,900,000
Kerosene.....do.....	19,820,000	10,867,000
Gas and fuel oil.....do.....	35,715,000	17,831,000
Lubricating oil.....do.....	10,653,000	6,732,000
Iron and steel:		
Plates and sheets.....tons.....	541,000	79,000
Skelp iron or steel.....do.....	131,000	25,000
Tinplate, etc.....do.....	250,000	40,000
Structural shapes.....do.....	400,000	33,000
Rails.....do.....	146,000	11,000
Wrought pipe, boiler tubes.....do.....	291,000	194,000
Copper.....do.....	499,000	164,000
Locomotives, steam.....number.....	307	123
Sewing machines, cabinets, attachments, parts.....dollars.....	12,189,000	14,929,000
Typewriters.....number.....	229,100	1,87,574
Printing machinery.....dollars.....	19,061,000	1,8,608,000
Agricultural machinery.....do.....	140,801,000	1,57,403,000
Automobiles, trucks.....number.....	534,000	66,000
Motorcycles.....dollars.....	4,843,000	1,869,000

¹ Represent figures for 1931 (1932 not available).

THE AMERICAN PEOPLE LIKE ACTION

May I read to you a statement made by ex-President Hoover which, to my mind, is typical of the attitude of the gentlemen on the left. I say that, in my opinion, he did not follow the viewpoint expressed. This is taken from a speech he made at Cleveland, Ohio, on October 2, 1930:

The economic fatalist believes that these crises are inevitable and bound to be recurrent. I would remind these pessimists that exactly the same things were once said of typhoid, cholera, and smallpox. If medical science had sat down in a spirit of weak-kneed resignation and accepted these scourges as uncontrollable visitations of Providence, we should still have them with us. This is not the spirit of modern science. Science grinds itself with painstaking research to find the nature and origin of disease and to devise methods for its prevention. That should be our attitude toward these economic pestilences. They are not dispensations of Providence. I am confident in the faith that their control, so far as the causes lie within our own boundaries, is within the genius of modern business.

President Hoover failed to practice what he preached, and it was because of that inaction, because of that lack of leadership, that the American people turned to a man of action and a man of leadership.

Today in this Chamber we are called upon for action. If you are satisfied with the old idea of "let well enough alone", "make no effort to cure the ills which visit us", "make no effort to secure world markets for American commodities and American products", then you ought in good conscience vote against this bill. On the contrary, if you believe in action, if you have the confidence that you claim you have in the President of the United States, if you have faith in the President, who has brought us a long way on the road to recovery, be not afraid, have a little stiffening in the spine, be men of action, and support this legislation which comes into being as the President says, not to hurt industry in this country but to help it. If you have this viewpoint, support the measure. In my judgment, the fears so well expressed will never be realized. The American farmer and American industry will receive benefits. American families will have happier homes, and we will have discharged another obligation placed upon us by the people of the United States in carrying out the platform pledge of our party and the purpose of Franklin Delano Roosevelt, our President. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the Tariff Act of 1930 is amended by adding at the end of title III the following:

"PART III—PROMOTION OF FOREIGN TRADE

"SEC. 350. (a) For the purpose of expanding foreign markets for the products of the United States (as a means of assisting in restoring the American standard of living, in overcoming domestic unemployment and the present economic depression, in increasing the purchasing power of the American public in the present emergency, and in establishing and maintaining a better relationship among various branches of American agriculture, industry, mining, and commerce) by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to those branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States, the President, whenever he finds that any existing duties or other import restrictions are unduly burdening and restricting the foreign trade of the United States or that the purpose above declared will be promoted by the use of the powers herein conferred, is authorized from time to time—

"(1) To enter into foreign trade agreements with foreign governments or instrumentalities thereof; and

"(2) To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign trade agreements, as are required or appropriate to carry out any foreign trade agreement that the President has entered into hereunder. No proclamation shall be made increasing or decreasing by more than 50 percent any existing rate of duty or transferring any article between the dutiable and free lists. The proclaimed duties and other import restrictions shall apply to articles the growth, produce, or manufacture of all foreign countries, whether imported directly or indirectly, except that nothing in this section shall be construed to prevent the granting of exclusive preferential treatment to articles the growth, produce, or manufacture of the Republic of Cuba: *Provided*, That the President may suspend the application to articles the growth, produce, or manufacture of any country because of its discriminatory treatment of American commerce or because of other acts or policies which in his opinion tend to defeat the purposes set forth in this section; and the proclaimed duties and other import restrictions shall be in effect from and after such time as is specified in the proclamation.

"The President may at any time terminate any such proclamation in whole or in part.

"(b) As used in this section, the term 'duties and other import restrictions' includes (1) rate and form of import duties and classifications of articles, and (2) limitations, prohibitions, charges, and exactions other than duties, imposed on importation or imposed for the regulation of imports."

Mr. TREADWAY. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. TREADWAY: Beginning with the word "for", in line 6, on page 1, strike out all the language down to and including the words "United States", in line 9, page 2.

Mr. TREADWAY. Mr. Chairman, the language that I propose striking out is purely a lot of well-put-together words that mean absolutely nothing. If we are writing law, let us write law. If we are writing professional English, let us write that, but not intrude it in the Halls of Congress. If anyone can show me that any part of the language that I have moved to strike out will in any way add to the efficiency or the efficacy of this law, if passed, I will withdraw the amendment. As was explained in the committee, it shows the purpose of the legislation. The purpose of the legislation is when you enact something. This is just a further illustration that we are being led around like a bull with a ring through his nose. We are being led around by the nose by some "brain trust" professors who are fond of the English language and their powers to express it. There is a page and a half of useless words. They sound well and perhaps might mean something in the right place, but when you are enacting a law they do not mean a continental thing. So why waste good English? Why do they not use their good English in getting up lectures or to address their college classes instead of bringing such language as this into the Halls of Congress and asking us to carry their language into law.

Why, it is the most absurd thing conceivable, Mr. Chairman, that we are expected, like a class in college, to need their well-sounding words. I can conceive of the author

of this language on a rostrum before his college class, possibly of freshmen—I think they might be from the way this language reads—and I can see the awe on the faces of these boys when they are looking up at this college professor and thinking what a great man he is because he uses so many fine, high-sounding words. We have graduated from that freshman professorial-teaching group and we are here as Representatives of the people, and let us act as such and not be led around by the nose and told the kind of language we ought to use because some man has a power of expression which should be used for the benefit of freshmen in college rather than for grown men who are Members of the Congress. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I hope the amendment of the gentleman from Massachusetts [Mr. TREADWAY] will not be adopted. It is a case of Greeks bearing gifts. Of course, this side of the House is not going to take advice or be governed by those on the other side, who have fought this bill at every turn, who are opposed to every word, line, and every section of it, and their only motive, purpose, and real object is to try to defeat the bill.

I am sure the Membership on this side of the House who favor this legislation and believe it will bring great benefits to the American people are not going to allow its enemies to write the bill.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Tennessee.

Mr. COOPER of Tennessee. Mr. Chairman, as the chairman of the committee so well knows, various other measures reported by this and other committees and enacted during this recovery program have carried language which corresponds to the language carried in this bill. It is a very vital part of the bill itself. It sets forth the purposes of the legislation and from a legal standpoint and from the standpoint of construction in the courts it is of the very greatest importance to the legislation.

It is necessary for this provision to be contained in this bill, which sets forth the very purposes to be accomplished by the legislation, and, certainly, the amendment of the gentleman from Massachusetts should not be adopted. This very language will be looked to by the courts of the country if they should be called upon to pass on this legislation, and it is of vital importance to the measure that this provision be contained in the bill.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Massachusetts [Mr. TREADWAY], in offering the amendment that he has, clearly evidences that no matter what the Democratic Party might do with reference to the tariff, the gentleman from Massachusetts would oppose it because of political reasons.

There is no question but that throughout the country the thinking press and the fair press are realizing that the opposition of the Republican Party to this measure is purely partisan, without regard to whether or not legislation of this kind is beneficial or might be beneficial to the general welfare of the country.

In one of the cities located near Mr. TREADWAY's district, Springfield, Mass., is located a newspaper, the Springfield Republican, and in an editorial under the title of "Tariff Bargaining Power", it says:

The President's tariff bill is a foul of partisan obstruction and is undergoing, first of all, a major attack as unconstitutional. For this reason, the bill might well place a time limitation on the delegated power, say 3 or 4 years, thus forcing the President to ask for a renewal later on in case he should desire to continue his policy of promoting foreign trade by special agreements without being obliged to obtain in each case the approval of two thirds of the Senate. With a time limitation, the Supreme Court would probably find the law the easier to sustain.

The foreign trade relations of all nations are in such a depressed and chaotic condition that the Executive of our own Government should be empowered to exercise greater freedom from the Senate veto in negotiating commercial treaties. The requirement of a two-thirds Senate majority for any treaty is a serious obstacle to trade development.

Other governments are not thus handicapped. In cases where the approval of a legislative body is still necessary, as in Great

Britain, only a simple majority in a body controlled by the responsible ministry is needed, while the numerous dictatorships that have sprung up throughout the world may act without the least hindrance to reach out for foreign markets by special trade bargaining.

Great Britain's economic position would be almost hopeless if the British executive were tied down like the President of the United States in pushing exports. The British revival has been slow, although there has been perceptible improvement. The physical volume of industrial production in the United Kingdom has increased only 3 percent since the rise began as against 20 percent for the United States.

The present British Government banks heavily on its new protective-tariff policy; thus the home market is safeguarded for domestic industries. But the home market cannot begin to consume British production of goods. "Recovery" for Britain means recovery of foreign markets, so far as that is now possible. Sir John Simon's recent laudation of the new British tariff policy was based mainly on the fact that the tariff has not caused a recent decline in exports. But it is through an improved bargaining position that the British Government facilitates better trade relations. Special trade agreements and treaties furnish the method for promoting exports. These treaties require nothing but a simple majority in the Commons for their approval, and the approval could not be denied without throwing the Government out of power.

The constitutional basis for the delegation of a limited tariff power to the President is in the flexible tariff system already sustained by the United States Supreme Court. What President Roosevelt asks for in bargaining authority would in effect place him merely on an equality with other great nations, including Great Britain. If this country wants its exports stimulated, it knows perfectly what it must do.

This is a newspaper located in what was once one of the strongest Republican cities in Massachusetts, but it has now seen the light and reason and the people of this city are now taking the course of the Democratic Party, which they should have taken years ago.

The gentleman from Massachusetts says that the expressions of purposes set forth in the bill are useless. The gentleman is incorrect. This language sets forth not only the purposes which the Congress hopes and intends to obtain by the passage of this legislation but it also constitutes a direction to the President of the United States in the use of the powers conferred upon him. What does the Congress of the United States say? The Congress of the United States says, in the language which the gentleman undertakes to strike out, that one of the purposes desired to be accomplished, constituting a direction to the President of the United States in the making of such agreements, is to "restore the American standard of living", a purpose which we should all desire to see accomplished. Such a direction and such a purpose are of particular benefit to all our people, particularly those living in the industrial areas.

The other purposes therein described constitute a direction and a declaration of purpose; and in the event of this bill's passing and being submitted to the Supreme Court on the question of its constitutionality, the Supreme Court, as it has in other cases, would, in part, look to the purposes which the passage of the legislation sought to bring about.

So this has a legal significance. It is not merely inserting high-sounding words. This language sets forth the definite policy of Congress in the passing of this bill, and it also sets out the direction which the executive branch of the Government should and must take in carrying out the powers necessarily delegated.

So it is not unnecessary language; it is important language, not only to set forth the purposes which we desire but it also constitutes a direction to the President of the United States, and I hope that the amendment injected for partisan purposes will be defeated. [Applause.]

Mr. CELLER. Mr. Chairman, I rise in opposition to the pro-forma amendment. Mr. Chairman and Members of the Committee, I am interested in the suggestion of the gentleman from Massachusetts and shall oppose it; but I wish to address myself to a provision which I think should be in this bill; and if it is not included in the bill, I shall vote against it.

I refer to the time limit. I am willing to trust the President of the United States with all the powers embraced in this bill, and they are indeed stupendous, gigantic, unprecedented powers, but I wish that the President shall be limited as to the time he may exercise these powers.

The majority report says that the bill is designed to meet an emergency. If it is designed to do that—and I am sure it is to meet an emergency—when the emergency shall have gone glimmering, these powers should cease. I understand the gentleman from Massachusetts [Mr. McCORMACK], a member of the committee, is to offer such an amendment.

Mr. CULLEN. Will the gentleman yield?

Mr. CELLER. Yes.

Mr. CULLEN. I want to say to the gentleman that such an amendment as he has indicated is to be offered to the bill by the chairman of the committee.

Mr. CELLER. I just commented on that, and I am glad to have it reiterated by a member of the committee. It is imperative that the amendment should be adopted. We are giving the President great powers under the National Recovery Administration and the Agricultural Adjustment Administration and all the other alphabet bureaus and commissions, but I believe it is time to determine our bearings. If we are to grant the powers during an emergency, let it be for an emergency and not a permanent affair. As the bill now reads, it embraces a permanent policy. There is no time limit.

I understand the gentleman from Massachusetts will offer the amendment that the powers granted herein shall be for the duration of 3 years.

Very well and good. I believe and earnestly suggest that the gentleman go one step further, because the President will have the right, if that amendment carries, within 3 years to enter into an agreement with foreign nations or subdivisions thereof, which agreements shall be for a longer period than 3 years, and so I would appeal to the intelligence of the committee that there be added an amendment or a provision that no agreements shall be made within the period of 3 years which in terms shall be longer than 3 or, say, 4 years from the effective date of this bill. Without such added limitation, the President could enter into an agreement effective within the 3 years for a duration of 50 years. We should not permit that. That goes far beyond emergency.

[Here the gavel fell.]

The pro-forma amendment was withdrawn.

The CHAIRMAN. The question is on the amendment of the gentleman from Massachusetts [Mr. TREADWAY].

The question was taken, and the amendment was rejected.

Mr. TREADWAY. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Page 2, line 10, after the word "finds", insert a comma and the following: "after investigation by the Tariff Commission." And on page 3, after line 22, add the following new subsection:

"(c) In the course of the investigation required under subsection (a) of this section, the Tariff Commission shall hold hearings and give reasonable notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and be heard at such hearings."

Mr. TREADWAY. Mr. Chairman, it seems to me that this is an extremely important amendment. I suggested the idea to my Democratic colleagues in the committee, and they saw fit not to accept the suggestion. It is not in accordance with our "brain trust", but for a long time, in several tariff bills, we have carefully included the right to be heard and the power of investigation of the Tariff Commission. The bill before us takes away all that power, places dictatorial right in the hands of the President of the United States, and gives positively no opportunity for hearings to interested parties. If the Congress of the United States sees fit to adopt star-chamber procedure in dealing with the industries of this country, I suppose very likely the Democrats will vote down this amendment; but I want to have it definitely and positively understood that the majority in this House will put itself on record as not giving American citizens an opportunity to be heard before they are condemned in their industrial life. That is the question before you now. Will you have a court, a Tariff Commission, where industrial representatives can be heard and definite and positive decisions rendered by them, or will you close the door to all such

opportunity and rest in the hands of one person the power to control industry in this country?

That applies to industry, agriculture, commerce, and everything else. In other words, will you here this afternoon add to the power of a dictatorship, leading to a dictatorship, or are we still free American citizens, who believe in the right of trial before conviction? It applies as much to industry, commerce, and agriculture as it does to crime. The worst criminal cannot be convicted without a fair and impartial trial. He is innocent until proven guilty. Why has not American industry, agriculture, and commerce the same right to be heard by an impartial jury, and place their case before the jury before conviction is had, and why are people not to be given that chance?

The CHAIRMAN. The time of the gentleman from Massachusetts, [Mr. TREADWAY], has expired.

Mr. DOUGHTON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Massachusetts.

During this entire debate there has been the most desperate effort on the part of the minority and those who oppose this legislation to scare, frighten, and alarm the American people as to some great injury that will result from the enactment of this legislation. The lamentations of Jeremiah were mild as compared with the lamentations that we have heard with respect to the dire things that will happen as a result of this legislation.

On one day last week the minority leader of the House made a political speech, a stump speech, in which he declined to yield, and in which he used the strongest language possible in an effort to alarm the American people.

The most important thing this country has today on which to rebuild and restore itself from the economic disaster wrought by the previous administration is confidence. There was no such thing as confidence prior to President Roosevelt's inauguration on March 4, 1933. Thank God, confidence has been restored. Regardless of that, in their desperation to make some political capital out of this legislation, our Republican friends would circulate rumors trying to excite, alarm, and disconcert the American people.

Let me read the language of the distinguished minority leader:

Rumor has it that we have agents in Europe making deals now.

Not a scintilla of evidence offered; not an authority cited; no person mentioned. Rumor! Rumor!

One is free cement from Belgium. How will the cement manufacturers on the Atlantic seaboard like that? Another is free lumber from Russia. How will the Northwest like that?

Rumor!

How will the Northwest like that?

There are many others which mean the destruction of American industry.

Now, I am pleased to read a letter I received this morning from the distinguished Secretary of State, whom you all know. There is no higher authority on tariff questions in the world than Secretary Hull. There is no man of higher character living. There is no man in whom the people have greater confidence. He was shocked by this statement of the minority leader. This is what he says:

MARCH 29, 1934.

DEAR MR. DOUGHTON: In his discussion of the tariff-bargaining bill on March 28, Mr. SNELL is reported as having said: "Rumor has it we have agents in Europe making deals now. One is for free cement from Belgium. How will the cement manufacturers from the Atlantic seaboard like that? Another is for free lumber from Russia. How will the Northwest like that? And there are many others, all of which means the destruction of American industries."

Mr. SNELL's statements, based on rumor, have since been passed around as facts.

Oh, yes. Rumors must go to the American people to alarm them, regardless of the effect such rumors may have upon the industry of the country and regardless of the confidence our people may have in the President of the United States, all for political expediency and political capital. Circulate rumors and let those rumors be passed around as facts, regardless of consequences.

Secretary Hull's letter continues:

Therefore I should like to deny the gentleman's statement.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. DOUGHTON] has expired.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOUGHTON (continuing to read):

I should like to deny the truth of such statements, and would appreciate your making public my denial. There is no truth whatsoever in these statements. There are now no negotiations involving tariff reductions in progress with any foreign country except Cuba, and in the negotiations with Cuba no offer or commitment of any kind has been made by the United States regarding concessions on products imported from that country.

Mr. TREADWAY. Would the gentleman kindly tell us whose letter he is reading?

Mr. DOUGHTON. I am reading a letter I received from Secretary Hull, made in reply to the speech of Minority Leader SNELL when he said that rumor had it that we had agents in different countries for the purpose of making trade agreements.

Mr. TREADWAY. May I not ask the gentleman if Mr. Hull's assistant, Mr. Sayre, did not say that requests for these negotiations had reached the State Department?

Mr. DOUGHTON. Possibly he said "requests." Of course he may have said "requests"; but the statement of the minority leader was that according to rumor we had representatives in foreign countries already negotiating.

Mr. TREADWAY. If the distinguished chairman will yield further, a few days ago we read that a former Ambassador to Italy, Mr. Childs, had been sent abroad to negotiate and find out the commercial status of various things. What does that mean? Have we not representatives in foreign countries? Why send a man traveling around to find out what kind of business can be done?

Mr. DOUGHTON. That is doubtless some more rumor. You people believe everything you read in the press.

Mr. TREADWAY. All right; then tell us what Mr. Childs is now abroad to do?

Mr. DOUGHTON. I do not know anything about what takes him abroad any more than does the gentleman from Massachusetts, nor do I know as a fact that he is abroad.

Mr. TREADWAY. Well, he certainly has gone abroad.

Mr. DOUGHTON. I have something to attend to here without following Mr. Childs or anybody else abroad.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. COOPER of Tennessee. May I point out that the statement of the Assistant Secretary of State to the committee was that some countries of the world had approached the State Department with regard to the possibility of negotiating some trade agreements; but nothing definite had been done, and nothing definite had developed up to that time.

Mr. DOUGHTON. Why, certainly.

Mr. COOPER of Tennessee. He indicated nothing whatever with reference to lumber and these different items mentioned in the speech of the minority leader.

Mr. DOUGHTON. My good friend from Massachusetts continuously harped on the "brain trust"; he rolled those words under his tongue like a sweet morsel: "Brain trust!" Well, it better be a "brain trust" than a "bone trust"; it better be a "brain trust" than a "Teapot Dome trust". [Applause.] Thank God, there has been no "Teapot Dome trust" yet developed, nor will there be under the administration of President Roosevelt. Of all the people in the world, those on the other side of the aisle should be the last to utter the word "trust."

Mr. TREADWAY. May I ask if the Democratic majority needs any kind of a trust to assist them in making legislation?

Mr. DOUGHTON. Judging by what has resulted from legislation sponsored by the gentleman's side of the House in the past, I should think that modesty, I should think that common decency would require, after the failure you have made, and after the distress and suffering that has come to this country as a consequence of legislation for which at least the gentleman's party was responsible, the Members on the other side of the aisle should hesitate to give advice on any subject. [Laughter and applause.]

Mr. TREADWAY. I am sorry they are so embarrassing. I am terribly sorry about that; but, nevertheless, I must say that my good friend from North Carolina is proceeding along the regular Democratic program of dealing in glittering generalities. In spite of the remarks he has been making here, he has not designated a single item about which any swapping is going to be done; he has not designated a single tariff barrier that ought to be removed; he is just trying to throw sand in the eyes of the public.

Mr. DOUGHTON. Mr. Chairman, I did not yield for a speech.

Mr. TREADWAY. I am sorry these questions are embarrassing to the gentleman.

Mr. DOUGHTON. Now, so far as the majority's attempting, or being foolish enough to attempt, to convince the other side that there was any good in this legislation or any other piece of Democratic legislation, of course, that is an impossibility. The man who discovers perpetual motion and puts it into successful operation will be dead and forgotten a thousand years before the man is born who could convince that side that anything good could come from the Democratic Party. [Applause.]

Now, my friends, the responsibility of this legislation is on the majority side of the House. Of course, I do not blame those on the other side of the aisle for their attack, for they are in such desperate straits for political capital; they will offer every conceivable amendment they can think of that might possibly weaken the bill.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the time of the fighting Chairman of the Ways and Means Committee be extended 5 minutes.

Mr. FREAR. Mr. Chairman, reserving the right to object, and I shall not object, may I ask the chairman of the committee if other members of the committee will be given an opportunity to be heard when they ask for time?

Mr. DOUGHTON. Certainly; I am not going to shut them off.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. COOPER of Tennessee. I simply want to call the gentleman's attention to a few facts in connection with this particular amendment. The gentleman from Massachusetts said that the distinguished chairman is not specific.

The amendment proposed by the gentleman from Massachusetts would strike at the very heart of this measure and the purposes sought to be accomplished by the enactment of the measure. May I call attention to the fact that under the operation of section 315 of the Fordney-McCumber Act the average length of time for investigation by the Tariff Commission was 30 months? Under the operation of section 336 of the Smoot-Hawley tariff bill the average length of time for investigation under the Tariff Commission was 11 months. If this measure has to be weighted down with this cumbersome procedure, of course you cannot accomplish the purposes intended.

Mr. DOUGHTON. That is manifestly true, as everyone knows, and the minority realizes that they cannot defeat this bill. They are hoping to emasculate or weaken it so that it will not accomplish the purposes for which it was written.

I appeal to the Members on the majority side of the House to stand by the bill as written. This bill has been thoroughly considered by the committee. Many amendments were

offered and some were adopted. The bill is satisfactory to the administration. There are one or two perfecting amendments that will be offered a little later, but outside of these I hope every amendment will be voted down. I am not disposed to impugn anyone's motive, but I have watched the progress of this bill in the committee and on the floor of this House, and the minority are so desperate in their efforts to make political capital and to frighten and scare the country that they will offer any amendment which they think will destroy and defeat the bill.

Mr. Chairman, the responsibility is on the majority, and we must meet it and discharge our duty to the country. We have brought this bill in without any caucus, without any rule, and submit it to the intelligent judgment of the House, and we are willing to submit it to the intelligent judgment of the American people and be responsible to the country for its consequences.

[Here the gavel fell.]

Mr. FREAR. Mr. Chairman, I move to strike out the last word, and support the amendment as introduced by Mr. TREADWAY.

Mr. Chairman, the suggestion has just been made on the other side that it takes 30 months to make a change by the Tariff Commission. May I say that the value of these 30 months was well expended, because 32 of the applications were increases to protect the industries of the United States and 5 were reductions.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. FREAR. Not at this time. I shall be glad to do so later. Thirty-two of these amendments were for increases in order to protect the local industries of the United States. Five were for decreases. Fortunate they were who had protection. Here is a proposal to put through in 30 minutes any kind of unreciprocal agreement.

Who is going to hear or determine these questions? May I read two lines for those of you who represent industries, and I do not care whether it is agriculture, as it is in my district, or not. I do not care whether they are large factories, and a hundred thousand may be dependent on this bill. I have no politics to discuss. Frankly, I voted against the last tariff bill. I do not think you gentlemen over there are as good friends of the President of the United States as we are on this side who are trying to protect him from the dangers that exist. I believe he is honest. There is no question in this regard. It is the delegation of authority, from which he is certain to suffer when it injures by reduction of tariff rates their business. There is no protection against that danger. I will go further and say that the President does many things with which I agree, and the gentlemen over there, my Democratic friends, who want us to express confidence in the President, only a day or so ago voted against him by over 150 of the majority Members, and have no right to criticize us when we talk about business and not politics. I recollect that only 3 or 4 years ago the chairman of the committee was predicting that the whole country was going to be turned over to a Napoleonic system simply because of the flexible tariff. This is not a flexible tariff. You can change a rate through Secretary Wallace in 24 hours, and in even less time. Industry has no chance for a hearing. Of course, the President will not determine personally a single schedule in any agreement. This is the situation as expressed in the bill. Not a single tariff expert or Congress has any voice in the matter. May I read a part of the bill that explains itself?

Whenever he finds that any existing duties or other import restrictions are unduly burdening and restricting the foreign trade of the United States or that the purpose above declared will be promoted by the use of the powers herein conferred—

And so forth.

There is not one suggestion in all this bill, so far as I can gather, that the President is to exercise the 50-percent limitation except to reduce tariffs—to reduce tariffs without any publicity. If this be the case, and I ask the gentlemen to correct me if I am mistaken, because I would not misrepresent it in any way, the President is given authority to raise, but there is nothing suggested in this preamble about

a raise in tariff rates. He is going to reduce any and every one of thousands of rates. If he is going to reduce, I say to you that with all the thousands and hundreds of thousands of industries of the United States, not one will have an opportunity to be heard, and I care not who they may be. The agricultural interests of my State are just as important to me as the tobacco interests of the gentleman from Kentucky, who has previously discussed this question, and these interests, particularly the dairy interests of my State and the Northwest, are menaced by the unrestricted power carried by this bill.

Heretofore we have had the Tariff Commission make the investigation and report its finding on the comparative cost of production at home or abroad. No one under this bill makes an investigation. No one knows what may come from these secret findings or these so-called "reciprocal agreements." I care not what your politics are, and I repeat, I am not discussing politics. Who is going to decide these questions? To whom are you going to sell these goods that are exported? Where are you going to get the exchange for throwing our markets open to the world? Here is the greatest market, with half of the world's business. There are a hundred governments anxious to come into this great pasture. They have little to offer. Practically every importation aside from free list displaces American products. We know that. They are anxious to get into our market, a market that has 50 percent of all the commerce of the world and of all the business of the world. Naturally these competitors surrounding us on every side expect to gain from the western Santa Claus. We are not looking for or expecting anything. That is impossible compared with these cheap-labor countries.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. FREAR. I yield to the gentleman from Kentucky.

[Here the gavel fell.]

Mr. FREAR. I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. VINSON of Kentucky. With reference to the increases and decreases, may I call attention to the fact that the decreases were in the largely produced commodities, such as bobwhite quail, and so forth?

Mr. FREAR. I admire the distinguished chairman of our committee, Mr. DOUGHRON. Our relations are pleasant. May I say that one who continually hammers here on politics is not seeking to assail us. He is trying to hold his Democratic colleagues in line, and you know that. You must. I feel my people should be protected. I wish I could find opportunity to answer some of the arguments I have heard here today.

It has been stated that there is nothing in this measure that would mean cancellation of foreign debts. I think you did a commendable thing in offering an amendment to endeavor to meet that situation. I do not believe it is a sufficient amendment and I want to offer a substitute for it. However, I do not criticize and I do not question the spirit or the motive involved. I think it was a wise thing to do, and it shows that the suggestion I made on the floor of the House, and amendment first rejected by our committee, was not entirely wasted upon deaf ears.

I want to discuss briefly another thing in regard to a matter that is in dispute. The gold standard which the administration changed so as to bring about a 40-percent discount, I learn, it is said, will have no effect upon this matter. Switzerland wants to come into our market, and is on the gold standard. She can buy our dollars for 60 cents and take those dollars to any port of entry and ship her products, as she wants to do, in competition with our goods, right into the United States. These are largely dairy products that will displace ours. What is true of Switzerland is also true of France, still on the gold standard. Other countries, like Mexico and nearly all others that we met by putting on these tariff rates in force in the last tariff bill, also have the benefit of the 40-percent reduction.

To begin with, the country faces a 40-percent reduction from the last law passed by Congress. Now, that 60 percent tariff rate, if cut 50 percent, will reach 30 percent of the tariff law passed by the last Congress.

For this reason I wish at the proper time to offer an amendment that will reach this situation.

I say this in all good part, because I have no political interest in this matter one way or the other. I do want to protect my constituents from disaster, and I want to protect yours. The only products that are going to go abroad that are to be of any particular benefit to this country are cotton and munitions of war. France wants to use our munitions of war and so does Italy and so does Germany, and you are going to have a fine market for them. Also cotton is needed by all Europe, but I do not see a market for anything else. England will not, because she has the Ottawa Pact and has cotton in the Sudan. What country is there that is to benefit our people by imports? We asked this question repeatedly: "Whom are you going to deal with?" The question was not answered specifically by any witness before the committee, as I remember, and the question was put to practically every witness who appeared before us.

[Here the gavel fell.]

Mr. HART. Mr. Chairman, I rise in opposition to the pro forma amendment.

I tried to discuss with my friend from Wisconsin [Mr. FREAR] the other day the question of what the tariff had done for his farmers in Wisconsin, but the gentleman became so excited he exploded before I could make a statement. I therefore want to call his attention to what took place following the last two Republican tariffs.

In 1921, due to the contracting of credit by the Federal Reserve, we had somewhat of a panic and, of course, commodity prices declined; but prior to 1921, from 1910 until 1920, the farm dollar, as compared with all other commodities which the farmer must buy, ranged from 95 to 118. It never went below 95. Following the panic of 1921 we had the Fordney-McCumber Act, and the farm dollar down to the passage of the Smoot-Hawley Act ranged from 95 down to 89, and with the passage of the Smoot-Hawley Act it ranged from 91 to as low as 53.

So, if we change any of the conditions that were brought about by the passage of these two Republican tariffs, we may hope to get the farmer back where his dollar is worth more than 53 cents.

Since the beginning of the present Democratic administration the last figures were for February, and the farm dollar has advanced from 53 to 64.

My friend from Wisconsin has talked about this market's being flooded with butter.

Mr. FREAR. Will the gentleman yield?

Mr. HART. Yes.

Mr. FREAR. Let me say to the gentleman that I offered amendments to reduce the sugar tariff. Is the gentleman interested in reducing the sugar tariff at this time?

Mr. HART. Am I interested? If we can get a proper sugar bill, I will be glad to; yes.

Mr. FREAR. That is just the situation of all of us.

Mr. HART. I want to tell the gentleman what his butter is worth.

They are all afraid of importations from Canada—

Mr. FREAR. No; New Zealand.

Mr. HART. In Montreal last Friday butter sold at 21.1 cents. In New York City the same butter sold at 18.8 cents. Danish butter, of which the gentleman spoke, was selling at 15.2 cents, converted into our exchange in London; and New Zealand butter, which is of a low grade, because of the long shipment and the time which expires between the time it is made and delivered, sells at a discount because of its quality, and this butter sold at 12.2 cents. With butter selling at 18 cents in New York and 15 cents in London, when you pay the freight, even if there were no tariffs, but with the normal discount at which they have to sell imported butter, you could not flood this market today with foreign butter from New Zealand, from Denmark, or from Canada.

Now, so far as sugar is concerned, under the Fordney-McCumber Act and under the Smoot-Hawley Act, in my State more than 50 percent of my sugar factories were closed and wrecked. Ninety percent of the companies operating in beet sugar were in bankruptcy. So we could not get very much worse conditions today if we had some readjustment in the sugar business; and at the proper time and before its consideration is completed I hope to offer some amendment to this tariff bill which will take care of sugar.

Mr. WOODRUFF. Will the gentleman yield?

Mr. HART. Yes; certainly.

Mr. WOODRUFF. I should like to ask the gentleman from Michigan how many of our Michigan sugar factories are out of commission at the present time, and we are still operating under the Smoot-Hawley tariff bill.

Mr. HART. With some assistance from a Democratic administration.

Mr. WOODRUFF. With no assistance whatever.

[Here the gavel fell.]

Mr. KOPPLEMANN. Mr. Chairman, I move to strike out the last four words.

I am in favor of this bill because I am firmly convinced that it is not aimed at the destruction of industry or agriculture, as has frequently been claimed here during the past few days. I am deeply concerned with the problem of unemployment in the industries of my State, such as silk manufactures, watchmaking, and tobacco raising, and the many other diversified industrial activities for which Connecticut is famous. I am, of course, for protection of American industries as all of us are, on both sides of the House. In voting for this bill I do not compromise that position—I am not voting for the reduction of duties on articles produced in my own State or in any other State.

As for those industries of my State which are now on an export basis, such as typewriters, electrical machinery, apparatus and supplies, machine and other tools, hardware, and rubber goods, this bill will be of considerable assistance in maintaining and expanding our possibilities in foreign markets. The bill gives us positive hope for increased employment in these lines and the maintenance of gains already made. Such study and inquiry as I have been able to give to this subject convinces me that there is nothing to fear from the authority granted in this bill. The production of silk goods in the United States, \$225,000,000 to \$250,000,000, of watches and parts, from \$12,000,000 to \$20,000,000, and the raising of cigar wrapper tobacco, of approximately \$9,000,000 or \$10,000,000, a considerable portion of which are produced in Connecticut, are such large and basic industries and employ so many people that we can feel assured that no action will be taken which might jeopardize them.

There is no foundation for certain rumors' being circulated that these industries have been or will be "picked for destruction." In this connection we have the assurance of the President in his message to Congress of March 3, 1934, in which he stated:

The exercise of the authority which I propose must be carefully weighed in the light of the latest information so as to give assurance that no sound and important American interest will be injuriously disturbed. The adjustment of our foreign-trade relations must rest on the premise of undertaking to benefit and not to injure such interests. In a time of difficulty and unemployment such as this, the highest consideration of the position of the different branches of American production is required.

It is clear that in making any trade agreement with a foreign country all factors affecting the industries involved will be considered in the light of the latest information. Every necessary Government agency, such as the Departments of State, Agriculture, and Commerce, the Tariff Commission, and special and technical experts on the subjects involved in negotiations will be at the President's command on such matters. In view of the splendid leadership of the man now in the White House, who is constantly concerned with increasing employment—not decreasing it—I am convinced that every consideration will be given in order that well-established industries of my State—or any other State—

will not be injuriously disturbed. The bill provides for definitely limiting imports so that, if a reduction of rates is made on any product, the reduced rate may only apply to a definite quantity of imports—even a higher rate than that imposed in the act of 1930 may be levied on additional importations.

Those industries which are now becoming unduly alarmed regarding this bill are thus placing themselves in the much talked of but unwarranted classification, "picked for slaughter." These industries are prematurely judging themselves; the Government has set no standard for reducing rates of duty, as has been suggested by the opponents of this bill. We have had the President's assurance in his message quoted above. The rumors which are being circulated by paid propagandists that certain negotiations are now going on with certain foreign countries are denied by the Assistant Secretary of State today.

I would vote against this bill if I thought it would injure the interests of my constituents even though it might be a national gain. I am pleased, however, that the provisions of the bill do not place me in that position. I can vote for the bill under the conviction that it will benefit the Nation as a whole as well as the interests of my State. [Applause.]

Mr. REED of New York. Mr. Chairman, I want to address myself to my colleagues because I am sincerely interested in one phase of this bill. In line 18 it is provided "or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign trade agreements as are required or appropriate to carry out any foreign trade", and so forth.

I want to ask just how far the President could go under this act in reducing the excise taxes on coconut oil?

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. REED of New York. I yield.

Mr. SAMUEL B. HILL. Under the provision relating to coconut oil in the revenue act the President would have no power in this bill to do anything. That is purely an excise tax. It is a tax on the processing of the oil and not on the importation of the oil. So under this bill there would be no authority to modify or in any way affect the proposed excise tax on coconut oil.

Mr. REED of New York. I thank the gentleman. I wanted to make sure because we have made such a desperate fight and Governor SHALLENBERGER has worked so hard I do not want any doubt as to the language necessary to protect our farmers from the importation of coconut oil.

Mr. SAMUEL B. HILL. It will be recalled that the tax is on the processing of the oil, so that it is purely an internal tax.

Mr. FREAR. Will the gentleman yield?

Mr. REED of New York. I yield.

Mr. FREAR. I should like an explanation. This language on page 2 reads:

To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign trade agreements, as are required or appropriate to carry out any foreign trade agreement that the President has entered into heretofore.

What about those words "or excise treatment of any article"?

Mr. SHALLENBERGER. Under this bill the President is not authorized to enter into any agreement that would change the excise tax, but he may agree that they shall remain as they are. So, the tax on coconut oil is not affected by this bill.

Mr. BLANCHARD. Will the gentleman yield?

Mr. REED of New York. I yield.

Mr. BLANCHARD. I had the same concern about this matter and despite the assurance given by the gentleman from Nebraska I still have my doubts. My interpretation of the bill is that it would confer authority on the President to change excise taxes.

Mr. CELLER. Will the gentleman yield?

Mr. REED of New York. I yield.

Mr. CELLER. On page 3 is a definition given of the word "duties", and the second one is "limitations, prohibitions, charges, and exactions other than duties imposed on importation or imposed for the regulation of imports."

So it might mean excise duties; it might make an excise tax equivalent to import duties.

Mr. REED of New York. That is the impression I had. The language is very broad and susceptible of different interpretations. Experts seem to think it is still in doubt. I feel that, after the hard fight that has been made in the interest of the farmers, there should be no doubt if there is any clarifying language that can be used that will protect the dairy interests from any invasion of these coconut oils.

Mr. SHALLENBERGER. It is the judgment of the experts of the Department who have gone over it with me, and it is also my judgment, after analysis, that the coconut-oil tax is protected in this bill more than almost any other tax or duty that we have. In other words, excise taxes are not to be changed by Executive order during the time of the trade agreements.

Mr. CELLER. Will the gentleman yield that I may ask a question of the distinguished gentleman from Nebraska?

The CHAIRMAN. The time of the gentleman from New York [Mr. REED] has expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that the time of the gentleman from New York be extended 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CELLER. Will the gentleman yield to me?

Mr. REED of New York. I yield.

Mr. CELLER. It is agreed that the President cannot go beyond 50 percent in increasing or decreasing duties. The President, however, has the right to change the method of valuation. He also has the right to change the classification of articles. Suppose in the change of a classification or the change of the criteria of valuation there is a change beyond 50 percent of the duty, what will happen then?

Mr. SHALLENBERGER. The gentleman is asking about the general matter of tariff duties, but I am replying as to the situation of the tax on coconut oil, which is not a tariff duty but is an excise tax.

Mr. CELLER. It does not make any difference whether it is coconut oil or some other article.

Mr. SHALLENBERGER. But it does make a difference whether it is an excise tax or a duty imposed. An excise tax cannot be imposed or changed under this bill.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. REED of New York. I yield.

Mr. SAMUEL B. HILL. As to the power to change a rate and classification, permit me to say to the gentleman from New York [Mr. CELLER] that that power is now vested in the President under section 336 of the 1930 Tariff Act.

Mr. CELLER. Will he have the right to go beyond 50 percent if that is the effect of it?

Mr. SAMUEL B. HILL. No; that is the limitation—50 percent, up or down.

Mr. CELLER. So that if the President wants to change the classification, if it makes a difference of beyond 50 percent, he cannot do it?

Mr. SAMUEL B. HILL. He might change the classification, and if a change in the rates of duty follows, of course he would make such change under the changed classification.

Mr. CELLER. So that he can go far beyond 50 percent, that is, with the two powers?

Mr. SAMUEL B. HILL. That would depend, of course, upon what the change in classification did as to the rate to be applied. But the point I am making is that he has the power now. We are not giving him additional power here.

Mr. CELLER. That is what I wanted to be sure of, that in the interpretation of this language there will not be that additional power.

Mr. SAMUEL B. HILL. There is no additional power.

Mr. CHRISTIANSON. Will the gentleman from New York yield to me that I may direct a question to the gentleman from Nebraska [Mr. SHALLENBERGER]?

Mr. REED of New York. I yield to the gentleman.

Mr. CHRISTIANSON. The purpose of the excise tax on coconut oil generally was to act as an import restriction on that product, was it not?

Mr. SHALLENBERGER. The gentleman may interpret as he sees fit, but the coconut-oil tax was levied as a processing tax, for the express purpose of removing it from the import duty class. It is a processing excise tax for a particular purpose on a particular article.

Mr. CHRISTIANSON. Nevertheless, our purpose in putting that processing tax on was to restrict the importation, was it not?

Mr. SHALLENBERGER. A great many different speculations concerning it might be made.

Mr. CHRISTIANSON. Bearing that in mind, how does the gentleman interpret the expression "import restrictions" used in line 18, on page 2?

Mr. SHALLENBERGER. The tax on coconut oil is not an import restriction, and the interpretation suggested cannot apply to it in any way.

Mr. CHRISTIANSON. I call the gentleman's attention to the fact that the expression "import restrictions" is not defined anywhere in the bill.

Mr. SHALLENBERGER. The law itself does define the tax, and the purpose of the tax and what it applies to. It is not an import restriction, but it is a tax applied to an article after it is brought into this country. After it is brought in, the first use of the oil is subject to a tax, but it is not in any sense an import duty.

Mr. CHRISTIANSON. The explanation does not convince me, and I do not think it convinces very many friends of this provision.

[Here the gavel fell.]

The pro forma amendments were withdrawn.

Mr. DOUGHTON. Mr. Chairman, many Members on each side have expressed the hope that we will be able to dispose of this bill this afternoon. Therefore, I hope we can agree on a limitation of debate on this section.

Mr. FREAR. If the gentleman will yield, practically all the amendments to be offered are to this section.

Mr. COOPER of Tennessee. The only committee amendments are to the next section.

Mr. DOUGHTON. Very well. We will go along a little while and see how we get along.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. TREADWAY], which the Clerk will report for information.

The Clerk again reported the Treadway amendment.

The amendment was rejected.

Mr. TREADWAY. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. TREADWAY: Page 3, line 1, before the period, insert a comma and the following: "nor shall any existing rate of duty be lowered below the amount necessary to equalize the difference in the cost of production as defined in section 336, of domestic and foreign articles with respect to which such duty is imposed."

Mr. TREADWAY. Mr. Chairman, this is an amendment to continue the methods under which we have been operating for a great many years. It asks that you definitely recognize the difference in cost of production here and abroad. It asks that you set up that principle in any tariff legislation that you adopt.

The bill itself absolutely does away with any yardstick of the difference between the costs of production at home and abroad. Now, we do not need to remind the Republican side of this principle being a fundamental doctrine of the Republican Party; but the Democrats seem to have forgotten their platform obligations in the haste they are showing here today to fall over themselves to adopt this new professorial "brain trust" method of legislating, be-

cause in the platform of the Democratic Party in 1928 we find this language:

Actual difference between the cost of production at home and abroad with adequate safeguard for the wage of the American laborer must be the extreme measure of every tariff rate.

Evidently all such references as that in the platform of the party are being thrown overboard. We see practically the same language in the 1932 platform. The party has forgotten all those obligations of the past, and now they are showing themselves absolutely subservient to this new method of procedure, star-chamber procedure, procedure behind closed doors. The 1932 Democratic platform contained this statement:

We advocate a competitive tariff for revenue with a fact-finding Tariff Commission free from Executive interference.

You have just turned down the Tariff Commission; you have just voted down an amendment in accordance with your own platform.

In other words, as I see it, the Democratic Party is meeting itself coming back when it adopts this bill. We cannot reiterate too often, my friends, how embarrassing it must be to you to be obliged to reverse yourselves constantly at the behest of the "brain trust."

A few moments ago our distinguished chairman read a letter from the Secretary of State, which letter I hold in my hand. It had distinct reference to an extract from a speech made by the minority floor leader on March 23. I do not blame the Democrats for not liking that speech; it was too able to suit them; and, naturally, if there is a place to pick flaws in it they want to do so. So the Secretary of State has written to the gentleman from North Carolina [Mr. DOUGHTON] the letter he read in which reference was made to statements based on rumor; and then the Secretary of State said:

There is no truth whatsoever in these statements.

That is, the statements that there were any agents in Europe.

Possibly there are not, but I called attention to the fact that at least two different people have recently, according to the press, been commissioned to make European trips to study commercial relations. I do not know what that means, but it looks to me as though there were going to be some agents over there pretty soon if they have not already arrived. But what difference does it make, Mr. Chairman, where these negotiations are conducted, whether they are in foreign capitals or in the Capital at Washington?

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. COOPER of Tennessee. After the distinguished gentleman from Massachusetts referred to Mr. Child a few moments ago, I took occasion to take the matter up with the State Department and have this information from the State Department:

Mr. Child has nothing to do with trade agreements; he is merely observing and taking note of general economic conditions. He has no power to make any proposals or commitments.

Mr. TREADWAY. The gentleman wishes to stand on that statement? If he does, let us agree to it. We did not suppose he had any right to—what was that expression once more—"just checking up on economic conditions?"

Mr. COOPER of Tennessee. The gentleman is criticizing the statement without knowing what it is. [Laughter.]

Mr. TREADWAY. I merely wanted to get it straight. The statement was that Mr. Child was checking up on economic conditions. If that is not preparatory to making swaps I do not know what is. I will stand on that. At least we know Mr. Child will have a good time whether he accomplishes anything or not.

But, getting back to this letter from the Secretary of State about there being no negotiations pending, I wish to read into the RECORD the evidence submitted by Mr. Sayre, Assistant Secretary of State, on page 337 of the hearings. The gentleman from Minnesota [Mr. KNUTSON] asked some embarrassing questions of Mr. Sayre about swapping apples for French wine, and so forth; and then Mr. Sayre said:

All I can say, sir, is that many countries have been making overtures to the State Department for the purpose of entering into these bargaining agreements.

That indicates they believe trades can be made which will be mutually profitable. Now, if there are no negotiations going on in some capital why that admission on the part of Mr. Sayre? And then again on the following page, page 338, I asked Mr. Sayre this:

You used the language, if I heard you correctly, that countries abroad have applied to the State Department to establish bargaining treaties.

Mr. Sayre said:

I think that a number of them have approached the State Department with that end in view.

Mr. TREADWAY. For bargaining treaties?

Mr. SAYRE. For bargaining agreements.

Mr. TREADWAY. You have heard me try to get some information as to the details of these bargains and I have not been successful. You are the first witness I have heard admit that we have been approached by foreign countries to have this kind of treaty established.

Mr. SAYRE. We have, sir.

Mr. Chairman, it would be well for the Democrats to get one more letter from the Secretary of State denying or repudiating the remark of his own Under Secretary, because I do not see any difference in whether these trades and bargainings are proposed to be carried out in our Capital or in foreign capitals. The Secretary of State is quibbling when he referred to rumors that the gentleman from New York brought out in his speech the other day. The Under Secretary admits that foreign countries have approached this country to make the swap.

Mr. KNUTSON. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Minnesota.

Mr. KNUTSON. It was testified that they looked into the situation in Mexico and found that we could very profitably buy 20,000 carloads of fresh vegetables there.

Mr. TREADWAY. I wonder how that will please the vegetable growers of Texas, from which State they are going to get many votes this afternoon, and the vegetable growers of Florida and the other Southern States?

Mr. JENKINS of Ohio. According to press reports of a day or so ago, the President of the United States established a new bureau. I think it is designated as the "Foreign Trade Relations Bureau", or some such name as that, the purpose of which is to enter into these negotiations, and the cost is to be paid out of P.W.A. money.

Mr. TREADWAY. I am not sure I agree with the gentleman, because our opponents on the other side would accuse us of backing up statements with rumors.

[Here the gavel fell.]

TARIFF BARGAINING OR RECIPROCAL TRADE AGREEMENTS

Mr. WHITTINGTON. Mr. Chairman, I oppose the amendment of the gentleman from Massachusetts. As I caught the amendment, no increase or decrease in duty that does not undertake to equalize the difference in the cost of domestic and foreign production would be permitted.

Under the Tariff Act of 1922 and under section 336 of the Tariff Act of 1930, there are provisions authorizing the President to raise or lower duties in accordance with the principle of the difference in the costs of production. While this provision remains the law of the land, obviously it might not apply where a certain trade agreement was desirable. The gentleman argues that this language is substantially the language of the Democratic platforms of 1928 and 1932. In the Democratic platform of 1928 the difference in the cost of domestic and foreign production was one of the elements in tariff making. There were other important considerations. They are set forth in the platform; they are to be

taken in connection with the portion of the yardstick to which the gentleman refers. The platform in respect to the tariff advocated the maintenance of business; a high standard of wages; increased purchasing power of wage earners; effective competition; the prevention of monopoly; the adequate safeguarding of labor, as well as the difference in the costs of production.

Again, the Democratic platform of 1932 advocated a competitive tariff. It is significant that the gentleman from Massachusetts, in referring to the Democratic platform of 1932, neglected to say that in connection with a competitive tariff the platform also advocated—and I quote therefrom—"reciprocal tariff agreements with other countries." The pending bill is therefore the fulfillment of a Democratic pledge.

The language of the amendment is the language of the Republican platforms of 1928 and 1932. It is the language of the Republican tariffs of 1922 and 1930. It has been tried and found wanting. The 1930 edition of the Republican tariff has certainly proved unsatisfactory. There has been a decline in commerce, both domestic and foreign. There is no place for a Republican formula that has proved inadequate in a constructive, progressive, Democratic tariff measure.

Moreover, the difference in the cost of production is impracticable and unworkable. It is impossible of determination. Robert L. O'Brien, the Chairman of the United States Tariff Commission, an eminent Republican and one of the outstanding authorities on the tariff question in the United States, at the hearings said:

I, personally, do not believe that the difference in the cost of production should be the basis of tariff making.

Again, he said:

Tariffs are matters of public policy, and I do not believe the cost of production should be made today the basis of tariff making.

He used as an illustration the cost of growing tomatoes. The cost is one thing in Massachusetts and another thing in California. A gentleman of wide experience with respect to the cost of raising tomatoes remarked:

It is anything on earth you want to make it.

Several million people grow tomatoes, and they are grown in practically all of the States, with as many different experiences. Some growers have bugs to deal with, other have droughts, and the labor question obtains in other areas.

I quote again from Mr. O'Brien, Chairman of the Tariff Commission:

To ascertain the cost of raising tomatoes in the United States is an impossibility short of omniscience.

Our Republican friends, in the discussion of the tariff and in advocating high protection, emphasized the matter of the difference in the costs of production. It is easy for manufacturers to adjust their accounts, for, as has been aptly said, "Accountancy is a tool of management."

Then, too, lawyers are skilled, and with the aid of accountants and capable lawyers labor receives but little from the operation of the shibboleth of republicanism as a yardstick in tariff making.

It is said that the proposed bill is Presidential tariff making; that it invades the legislative province and that it also invades the treaty province of the Senate. The power granted is substantially the power granted in the flexible provisions of the Tariff Acts of 1922 and 1930. Our Republican friends say that the bill does not contain any provision for an investigation by a fact-finding commission. This contention is without merit. The President will have at his command the Tariff Commission, the Department of Commerce, and the Department of State. After all, the flexible provisions of the Tariff Acts of 1922 and 1930 are nothing more or less than Presidential tariff making.

Again I quote from the statement of Mr. O'Brien before the Ways and Means Committee at the hearings on the pending bill:

I want to impress on you gentlemen that the present section 336, act of 1930, method is Presidential tariff making. If it is tariff lowering, it is Presidential tariff lowering.

After all, the decision is with the President. He is not limited to utilizing any one agency in arriving at the decision, but the President is given broad and discretionary powers in making agreements with other countries to enlarge our foreign trade without injustice to American industry.

I represent a cotton constituency. I stand for a tariff policy that will promote the interests of both agriculture and industry. The cotton growers of the South will be unable to buy if they are unable to sell their products. The manufacturers of the industrial sections of the country will lose if the cotton growers are not prosperous. I believe that the worth-while industries and the worth-while agricultural products of the Nation will be aided and benefited by an increased and enlarged world trade.

As a result of the inability of the cotton growers of the South to sell in the markets of the world, both voluntary and compulsory reductions have been made. Domestic consumers are called upon to pay processing taxes. The allotments are for an emergency. I trust that restrictive measures may shortly be removed. It is essential therefore that the domestic markets be supplemented by foreign markets.

The pending measure is constructive. It is intended to supplement and reinforce the domestic program for recovery.

WORLD TRADE

Mr. Chairman, world trade must supplement domestic commerce. Under the new deal, domestic trade has been revived. The program also contemplates the revival of foreign trade. Both domestic and foreign commerce are essential to the prosperity of the United States.

Foreign trade is essential and beneficial in the sale of domestic industrial and agricultural surpluses. Trade among the States has made the Union great. Trade among the nations will make the United States secure as the most powerful of all nations.

Both industry and agriculture will prosper by the restoration of foreign trade. The inability to sell manufactures results in industrial unemployment, and the inability to sell agricultural surpluses results in reduced acreage. There must be efficiency in both agriculture and industry. The demands should always be considered in providing the supplies.

Tariff barriers will not make for prosperity. We have the experience of the Tariff Act of 1930. High tariffs will not restore prosperity. I favor a reasonable tariff policy. I oppose cheap foreign goods supplanting efficient American manufactures; at the same time the cotton growers of the South cannot buy domestic manufactures unless they are able to sell their product. Neither can the wheat growers of the Great Plains. The tariff question must be examined in a new spirit. There must be a compromise of views. The United States may be self-contained, but if unemployment and distress obtain there is no public satisfaction.

In advocating a restoration of foreign trade for the benefit of agricultural surpluses I would not destroy or injure domestic manufactures. I would not disturb American interests. All American interests, both industrial and agricultural, must be considered.

SHRINKAGE

For the past 5 years there has been an alarming shrinkage of world trade. In terms of the volume of goods, the world trade of the United States is today reduced to approximately 70 percent of its 1929 volume. Measured in terms of dollars, it has fallen to 35 percent. The total exports of the United States fell from \$5,241,000,000 in 1929 to \$1,675,000,000 in 1933, while the imports fell from \$4,399,000,000 in 1929 to \$1,449,000,000 in 1933. We have never before had such a national experience. Heretofore decreases in prices have meant increase in the volume of trade. The United States has lost foreign trade. The appalling fact is that the United States has lost in competition with other nations for the diminishing world trade. We have not been able to hold our own. The percentage of world trade enjoyed by the United States decreased from 13.83 percent in 1929 to 10.92 percent in 1932. During the same period Great Britain, France, and other commercial nations have secured an increase in their proportion of world trade. The further distressing fact is

that the United States has not only lost in world trade but it has lost in trade with Latin America. In 1926 the United States enjoyed 24.7 percent of the imports into Argentina, whereas in 1933 its imports had dropped to 12.6 percent. During the same period Great Britain, Italy, Brazil, and Japan had increased their exports. The share of the United States in trade has decreased in Brazil, Chile, Colombia, Mexico, and other Latin American countries.

UNEMPLOYMENT

Seven million persons in the United States are dependent upon foreign trade for a livelihood, according to the United States Chamber of Commerce. In his testimony before the committee Secretary of Agriculture Henry Wallace states that between two and eight million people are interested in foreign commerce for their very living. Today there are some 30,000,000 people unemployed in the world. Unless some constructive measures are adopted the unemployment situation will go from bad to worse.

THE CAUSES

Many causes have contributed to the shrinkage and to the loss of world trade. Both economic and monetary causes have been important factors, but chief among the causes are the high trade barriers and the high tariff walls that obtain in most of the nations. State monopolies have been created. A network of barriers has been erected. The difficulty can only be overcome by agreements to promote the neighborliness advocated by President Franklin D. Roosevelt among the nations of the world.

THE EQUIPMENT

In the leading European countries agreements have been authorized to enable the Executive to increase foreign trade. In most important countries tariff changes can be made easily. Other countries are solving the problem by bargaining pacts and agreements. Since January 1, 1933, approximately 68 of these agreements have been made, and all of the leading European countries have such agreements. The power is vested in the executive branch of the Government in the majority of the cases, without requiring legislative or parliamentary approval, and where required such approval is perfunctory.

FLEXIBLE PROVISION

Section 336 of the Tariff Act of 1930 is the flexible tariff provision under which the President is authorized to raise or lower duties in accordance with the principle of the difference in the costs of production as I have pointed out. Competitive production is the Democratic yardstick. The purpose of this provision is to protect domestic industries. The constitutionality of this provision and of similar provisions in previous tariff acts has been sustained.

THE LEGISLATION

The proposed legislation vests in the President similar power to promote foreign trade. Its purpose is to provide foreign markets by foreign-trade agreements and by modifications of existing duties or import restrictions. The yardstick or formula is prescribed. The Executive is vested with the power to execute the formula established. If the authority in the President, under the flexible provision, is constitutional there can be no question as to the constitutionality of the proposed legislation. The purpose is to restore the American standard of living; to overcome domestic unemployment; to provide for an increase in the purchasing power of domestic workers; and to maintain a better relationship among all branches of American industry and agriculture.

CREDITOR NATION

The leading European countries are indebted to the United States. They are our competitors in world trade. Large public and private debts are owing the United States. Foreign debtors can only pay in gold, goods, or services. If the policy of self-containment is to prevail, if foreign trade is to be abandoned, foreign debts must be canceled. There is no escape from the simple arithmetic involved in this statement. We cannot collect unless we buy. We know what the shrinkage in foreign trade means. We have the experiences of the past 4 years. The ordinary, usual course is

for debtors to pay in goods. The policy that now obtains has resulted in the mad scramble for gold that has wrought national and international distress.

Foreign balances can only be paid in gold, or in goods and services. Shrinkage in foreign trade has prevented payment in goods and the transfer of gold has brought the greatest depression known to history.

THE PURPOSE

The purpose is to prevent further declines in prices by surpluses; to preserve the integrity of our foreign debts, both public and private, and thus relieve the American taxpayer of the burden which cancellation would impose, eliminate the scramble for gold, and benefit the producer by giving him the world markets again and aiding the domestic consumer by increasing his standards of living.

LOSS OF MARKETS

The shrinkage in foreign trade has brought unemployment to American industry and agriculture. It has resulted in limiting efficient American manufactures and in the withdrawal of millions of acres of land. The loss of foreign markets means the withdrawal of acreage and the destruction of communities; it means wide-spread unemployment in manufactures. The shrinkage in world trade has contributed to paralyzing the American economic system. We are advancing along the domestic front. The proposed legislation contemplates an advance along the foreign front.

COTTON

While the United States normally exports about one tenth of its total production, there are certain staples of which we export more than half the domestic production. We normally export from 55 to 60 percent of our cotton, 20 percent of our wheat, 40 percent of our tobacco, 50 percent of our packing-house lard, and 25 percent of our rice. The inability or failure to sell these surpluses brings inevitable disaster to the great agricultural sections of the country, but the distress is not confined to the agricultural States of the Union. It is reflected in unemployment in the industrial sections through loss of purchasing power; it is reflected in the loss of revenues, bank failures, and decline in real-estate values.

While cotton is the chief factor in our foreign trade, the picture cannot be confined to agriculture alone. Many of the largest and most efficient industries are dependent upon foreign trade. The difference between the exports of 500,000 automobiles in 1929 and 50,000 in 1932 is the difference between prosperity and distress; it is the difference between employment and idleness in the automobile industry. The elimination of foreign markets has resulted in suffering and human misery on the farm and in the factory.

The cotton grower is being penalized for his efficiency. Bankruptcy results from better farming. Foreign markets are essential for the greatest of all American crops. I repeat over and over again that we cannot sell our cotton abroad unless we buy from foreign countries.

There are goods produced in other countries that can be used with advantage.

The alternative is further reduction of cotton and wheat acreage; it is less employment in agriculture; it is a loss of purchasing power for the best markets for many American industries. It means, in the emergency, compulsory reduction of the production of cotton. The Nation would profit by providing markets and thus enabling sales of manufactures rather than by eliminating the production and thus increasing the costs of manufactures.

I advocate foreign bargaining power and reciprocal trade agreements that compulsory acreage reduction, adopted as a temporary measure, may be speedily eliminated.

Here and there some imports may be temporarily injurious; but, by and large, the benefits to exports will more than compensate for any minor domestic injuries.

NATIONAL BENEFIT

The opponents of the proposed legislation do not advocate the abandonment of foreign trade. We know we are losing; we know foreign trade has shrunk as never before. What is the program of the opposition for restoration? What plan

have they to offer? What is their substitute? We know that high protection will not solve our difficulties. Suffering and distress have followed the Tariff Act of 1930. The United States has lost trade with all nations. Shall we continue to pursue the ostrich policy that now obtains? The result can only be further disaster.

The proposed agreements mean not merely more world trade, but greater internal prosperity. They mean that the domestic program of the new deal will be supplemented by a foreign program that will bring greater benefits to the American people. It is time to think of the tariff question in a new spirit. It is time to plan to increase the sales of field and factory not only at home but abroad. The proposed legislation is a national plan with a national benefit. [Applause.]

[Here the gavel fell.]

Mr. CHRISTIANSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will say at the outset that I have never been an extreme protectionist. Upon the tariff question I have held views that have been considered somewhat unorthodox by members of my party. When the Hawley-Smoot Tariff Law was under consideration in this House I wrote an article for one of the national magazines, in which I expressed opinions that brought considerable condemnation from some who sit on my side of the House and as much approval from members of the present majority party. In taking the position I did I felt that I was only following in the footsteps of one of the greatest men Minnesota ever gave to the Nation, Senator Knute Nelson, who, although a staunch Republican, while a Member of this body voted for the Democratic Mills tariff bill.

The vote I shall cast today, in opposition to the bill under consideration, may seem inconsistent with the position I have taken at different times in the past, in view of the fact that the purpose of this measure is to lower trade barriers. To defend oneself against the charge of inconsistency is perhaps the most futile of all undertakings. If consistency is a virtue, then I have found that a man cannot long be a Member of Congress and remain virtuous. At any rate, consistency is not one of the major virtues, nor is inconsistency to be classed with that sin for which the theologians used to tell us there is no forgiveness.

But I insist that I am not in this instance inconsistent, for during the past 12 months our Government has made an important decision, an almost irrevocable commitment, which has altered the economic situation of America. That decision was made by the present Democratic administration and confirmed by the present Democratic Congress. I do not criticize the commitment, for in my opinion it was inevitable.

The dilemma which confronted the present administration when it came into power was this: In view of the fact that the American people are burdened with a debt they cannot carry, which roughly equals the present value of the physical wealth of the country, shall debts be scaled down, or shall prices and wages be increased sufficiently to make it possible for the people to carry and eventually liquidate their indebtedness?

If we had accepted the alternative of low prices, low wages, and scaled-down debts, we should be able to produce on a low-cost basis. We should be able to compete in the international markets with the low-cost countries of the world. We should be able to embark upon an economic program that would be aided by tariff reductions.

But the administration chose the other horn of the dilemma. Perhaps it had to. The fourteenth amendment bars the compulsory writing down of debts, and amending the Constitution would be not only a slow process but a hazardous one. Accordingly, realizing that the restoration of the balance between interest charges and the income from which they must be met is the most important prerequisite to the restoration of economic normality, the administration proceeded on the theory that the shortest road to prosperity was the one leading to a higher price level. Accordingly we passed the Agricultural Adjustment Act, pro-

viding the means for reducing acreage. When we reduce the number of acres a farmer may sow without reducing his taxes and his debt-carrying charges accordingly, we increase the unit cost of production. Such a course would be suicidal if the national policy were to encourage production for a competitive world market. When we passed the Agricultural Adjustment Act we decided, and I believe wisely, that for the present we prefer producing for a dear market at home rather than for a cheap market abroad.

We made the same decision for the industrial producer. Conceivably we might have reduced wages, lengthened hours, recruited children for work in the factories, tolerated sweatshop conditions and encouraged industries to engage in ruthless competition, in order to force the cost of production down to the point where we would be enabled to compete with other nations on equal terms in the markets of the world. But we did not do that. Under the leadership of the President we passed the National Industrial Recovery Act, under which wages are being increased, the hours of labor shortened, child-labor abolished, the sweatshop outlawed, codes adopted which substitute regimentation for competition as the regulator of industry. Leaving out of consideration for the present the very real dangers inherent in the N.R.A. philosophy, there can be no question that the N.R.A. program has done much good. It has helped lift the country to a higher price level; but it has also increased production costs, and thereby put us on a domestic basis and committed us to a policy of economic nationalism.

Instead of wiping out the debt structure by drastic deflation and thereby placing our farms and factories in the hands of men who, having but little invested in them, could produce without the necessity of earning much in the way of wages for capital, we have frozen the capitalization of agriculture and industry by taking over their bonds and mortgages. Through the Reconstruction Finance Corporation and the Farm Credit Administration, the United States Government has become sponsor for the debts of America. I am not criticizing; I cannot find fault, because I helped pass some of the legislation under which Uncle Sam became the Nation's greatest creditor; in fact, I approve of what has been done. If we had failed to do those things, a collapse, carrying danger to the social as well as the economic structure, would probably have been inevitable. I am merely calling attention to the fact that when we did those things we committed the Nation to production upon a high-cost rather than a low-cost basis. We turned our backs on foreign trade. We chose to follow a course of economic nationalism.

Secretary Wallace, with a clarity of vision that is commendable, recently stated that America must soon make her choice. She has made her choice—or perhaps I should say that the choice has been made for her by events. To adopt policies inconsistent with the course that has already been determined upon will complicate our situation rather than simplify it. Vacillation between one road and the other, which began with the last 2 years of Woodrow Wilson's administration and continued through that of Herbert Hoover, brought the country confusion and disillusionment. We are unworthy guardians of the Nation's destiny if we have learned nothing from the past.

If we decide that our course is wrong then let us face about; let us definitely choose the other course; let us repeal the Agricultural Adjustment and Industrial Recovery Acts, stop supporting the debt structure of the country, tell mortgage holders to foreclose, liquidate the banks, put the country up on the auction block, and start over with the slate clean. Only in that way could we get down to a low-cost basis that would enable us to negotiate enough even-handed bargains with the nations of the world to make the pending legislation worth while.

There are some things that we must import. We need coffee from Brazil, tea from Japan, silk from China, and rubber from Africa. If it is necessary or desirable to enter into formal agreements with the governments of these countries to facilitate exchanges that shall be mutually agree-

able, I have no doubt that such agreements can be made in the way prescribed by the Constitution. The number of such products is not so great that it would place an unbearable burden upon Congress to consider them and pass upon each of them on its merits.

If it is the intention of the administration to undertake a general tariff revision under the broad powers granted in this act, then I believe it is doubly necessary that we reserve the right of review. I yield to no man on either side of this House in my respect and esteem for the President. I esteem him so highly that I am always willing to stretch a point in order to follow him, as my voting record will show; but when the right of my constituents to work and make a living is at stake, I cannot bring myself to placing their destiny into the hands of the men to whom the President must inevitably entrust the task of making decisions upon which so much depends, without reserving the right to review those decisions. When I say that, I am not claiming any superior knowledge or wisdom. I am only asserting that I have a responsibility that I cannot shirk or evade.

To be sure, this Congress has already given power to reduce or increase tariff rates to the President and the Tariff Commission, but that power is limited in two ways: First, rates may be changed only to conform to a formula laid down by Congress; second, the rates so reduced or increased may be changed at the next session. This bill gives the President power to raise or lower rates at will, without reference to any formula, and the rates so determined cannot be changed at will, for they become a part of solemn international obligations.

For 100 years the European philosophy of economics has been one of internationalism—force down the standard of living at home in order to reduce costs and facilitate sales abroad. Sacrifice the home people for the foreign market. That is the philosophy that has brought slums and sweatshops. The American people have, on the whole, been happier, more contented, and more prosperous than any other because the United States has for the most part followed a different philosophy. Shall we now reverse the direction of our development? Shall we yield to the lure of unstable and undependable foreign trade, and thereby sacrifice the values that have made America great? [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. TREADWAY].

The amendment was rejected.

Mr. MARTIN of Colorado. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARTIN of Colorado: On page 3, strike out beginning in line 4 and ending in line 7, the following language: "Except that nothing in this section shall be construed to prevent the granting of exclusive preferential treatment to articles the growth, produce, or manufacture of the Republic of Cuba", and insert in lieu thereof the following: "Except that nothing in this section shall be construed to abrogate the reciprocal treaty entered into between the United States and Cuba in 1902."

Mr. MARTIN of Colorado. Mr. Chairman, due to the brevity of time, I have got to jump at once into the very briefest possible statement of this proposed amendment.

My amendment strikes from this bill a proviso which virtually removes all limitations and restrictions from Cuba and admits Cuba to the Union to all practical intents and purposes, as I understand it, in the matter of our trade relations, but it preserves to Cuba the reciprocal or preferential tariff treaty entered into between this country and Cuba in 1902, and which the very able gentleman from Washington, Mr. SAMUEL B. HILL, stated the other day in presenting the bill was the only exclusive status existing between the United States and Cuba.

Mr. Chairman, I propose to go along on this bill, but I could go along with a little more enthusiasm if I knew just how large and how definite a place Cuba is going to have in the picture, and how much more, in addition to what she is getting now, it is going to cost to have her in the picture.

For the past 35 years the United States has been a wet-nurse to Cuba, and she has been a troublesome and expensive baby and, quite naturally, a not very appreciative baby. To begin with, she cost us a war, the war with Spain, a war that cost this country three or four billion dollars, a war with a friendly nation that we had never had a war with, had always been at peace with, simply because she maltreated a small, weak neighbor at our door. Since then she has cost us a billion dollars in soldiers' pensions, and before that account is finally closed, and in 40 or 50 years from now, she will have cost us a couple of billion dollars more. So just the war by which we gave Cuba her freedom has already cost us more than her trade could repay us in a thousand years.

Coming down a little closer to the present, last summer she cost us a sugar agreement, an agreement to stabilize and allot the sugar industry, an agreement signed by the United States, the Philippine Islands, Hawaii, Puerto Rico, and the Virgin Islands, an agreement participated in by every factor involved in the sugar industry, allotting and stabilizing this industry. It was discarded by the Secretary of Agriculture simply because he thought this country got two or three hundred thousand tons more annually than we ought to have and that Cuba's allotment was two or three hundred thousand tons below what Cuba thought she ought to have. Because of the discarding of this agreement we have a new sugar bill in the House which would not have been needed, to raise hell in the sugar States, and it will raise hell there.

I do not want you gentlemen over on that side to hear what I have to say now, but included in this Cuban cost bill, it is not beyond the range of possibility that it might cost this side of the House eight or ten States, not only in congressional elections, but in electoral votes, because this interest is all located in that section of the country which saved the last Democratic President in 1916, and might, accidentally, be called upon to play the same part in 1936.

Mr. Chairman, if this language can be construed to mean what I think it does, and it is in the same section that has the 50-percent limitation, it takes Cuba out of the limitations of this section and says that nothing in this section shall be construed to prevent the granting of exclusive and preferential treatment to articles, the growth, product, or manufacture of Cuba. If this means what I think it does, it absolutely throws down the bars, opens the doors wide and admits Cuba to the Union for all trade purposes. If it does not mean this, it is meaningless and ought to be taken out, and, in the meantime, Cuba is fully safeguarded by preserving to her the preferential tariff treaty that she now enjoys.

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I rise in opposition to the amendment. I shall not take much time on this amendment. The gentleman from Colorado is objecting to the language which relates to the preferential treatment which Cuba now enjoys under the reciprocal trade treaty with this Government, and he moves to strike it out.

He makes the point that the use of the words "preferential treatment" relating to the manufacturers of the Republic of Cuba nullify and limit the language on page 2 of the bill beginning in line 23, that—

No proclamation shall be made increasing or decreasing by more than 50 percent any existing rate of duty.

That construction by the gentleman from Colorado I am sure cannot be sustained. I hardly think the gentleman from Colorado himself will seriously contend that the language he seeks to strike out nullifies, as far as Cuba is concerned, the limitation as to the 50 percent of existing tariff rates.

Mr. WILCOX. Will the gentleman yield?

Mr. SAMUEL B. HILL. I will yield.

Mr. WILCOX. The gentleman recognizes that Cuba now has a treaty giving it preference in import duties.

Mr. SAMUEL B. HILL. Yes.

Mr. WILCOX. And the President would have authority to reduce the preferential treatment by 50 percent.

Mr. SAMUEL B. HILL. I think that is a correct interpretation.

Mr. MARTIN of Colorado. I do not think it ought to be left to what the gentleman thinks it says. It ought to say it in the bill, because we know where this proposition came from and how it will be construed. It was put in to open the doors of this country to Cuban sugar, and it may be that it was put in to open the door to some other things besides sugar.

Mr. SAMUEL B. HILL. Suppose you strike the language out, it would be of no benefit to my friend from Colorado or other gentlemen from sugar States.

Mr. MARTIN of Colorado. It would leave Cuba under the general provisions of the act.

Mr. SAMUEL B. HILL. Yes; it would. But what you are complaining about is sugar, and Cuba is the principal source of supply outside of this country. Free sugar comes from Hawaii and the Philippine Islands, and you have the preferential rate in Cuba. If you make an agreement with Cuba whereby she gets a reduction of the present rates and make it apply generally under the most-favored-nations treaties you are not getting anywhere, because Cuba is the principal supply of sugar, so it would not be of any benefit to you.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. COOPER of Tennessee. Is it not correct to say that we have the very definite assurance from the State Department, from the administration, that the language carried in this bill leaves the status just as it exists today?

Now, one further observation. Unless you carry this exception in this bill in reference to Cuba, it will involve complications in negotiating the trade agreements with all other favored-nation countries of the world. There are some 48 of them. You have to make these exceptions in order to negotiate with the other favored-nation countries.

[Here the gavel fell.]

Mr. WOODRUFF. Mr. Chairman, I move to strike out the last word. I understand a substitute will be offered for the present amendment which will clarify the Cuban situation. I rise to voice my approval of the substitute which will be offered; but before I get to that I want to discuss for a few minutes just exactly what is proposed by the administration in the proposition that has been submitted to this House with regard to sugar. All of you who are familiar with the subject will remember that in the President's message touching that question he proposed by allotment to reduce production of sugar in continental United States 300,000 tons.

He proposed also to take 100,000 tons' production from the cane-sugar producers of the Hawaiian Islands, and he proposed to turn that 100,000 tons, together with the 300,000 tons from the producers in this country, over to foreigners living in a foreign country. It should be remembered that the people of the Hawaiian Islands are citizens of these United States just as much as are we in this body. The President submits in that message no proposal looking to the reduction of the production of sugar in the Philippine Islands. He submits no proposal looking to the reduction of sugar in Puerto Rico, but he proposes to penalize only those farmers producing sugar for consumption here who are citizens of the United States of America. That is what is proposed by the President of the United States touching this question, and that is not all of it. He proposes to put a processing tax upon all sugar consumed in the United States.

The best-known fact about the whole processing-tax theory is that, as in the case of cotton, where the administration has complete control of every bit of the machinery, the processing tax on cotton was passed on directly to the consumer; and this is always the case where a processing tax is levied, with the exception of the case of hogs, which tax has been absorbed by the farmer.

If such a processing tax were passed on to the American sugar consumer—and under the whole theory and operation of the processing tax this is exactly what must happen—who pays the tax?

There are approximately 40,000,000 people in the United States who are directly dependent upon agriculture for their livelihood. The average annual per capita sugar consumption in the United States for the last 5 years is almost exactly 100 pounds per person. Therefore, it will not be difficult for us to figure out that, on a basis of 100 pounds per capita consumption of sugar, and 40,000,000 persons engaged in or depending upon agriculture for a livelihood in this country, the farmers of the United States and their dependents alone consume 4,000,000,000 pounds of sugar per year. One-half cent a pound would mean \$20,000,000, which the present administration proposed in its sugar-allotment plan to take out of the pockets of American farmers and their dependents alone, to say nothing of the rest of the consumers of the United States. This is a fact which seems to have escaped notice, that American farmers alone are going to have to pay \$20,000,000 as a penalty if this program is enacted. If the producer is forced to absorb the half cent, that means it will be reflected directly back to the beet growers themselves, who are the producers, and that the sugar-beet growers will take this stupendous burden of \$20,000,000, which would mean that they would not get more for their sugar beets but less in the final analysis.

The group to be benefited by this sugar-allotment scheme is a group of financial racketeers in New York and New England, to whom I referred in my address of February 26, if this proposition is put into effect.

Mr. VINSON of Kentucky rose.

Mr. WOODRUFF. I cannot yield now.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOODRUFF. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes more.

Mr. DOUGHTON. O Mr. Chairman, we have heard that sugar speech before.

Mr. CELLER. Mr. Chairman, I reserve the right to object unless some gentleman on the committee will tell me the difference between a trade agreement and a treaty agreement, as announced in this bill.

Mr. WOODRUFF. I will tell the gentleman.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOODRUFF. The Assistant Secretary of State, in answer to a question of mine while the committee was conducting hearings on this bill, stated that the difference was the difference between a proposition that necessarily involved action of Congress and a proposition that did not.

Mr. CELLER. But that is a mere restatement of the question.

Mr. WOODRUFF. I do not care to get into that. I have given the gentleman such information as I could secure from the Assistant Secretary of State. Please let me finish my statement.

Mr. CELLER. I wish somebody would satisfy the Members on that score.

Mr. WOODRUFF. What I was going to say was this. The President has expressed great concern about the Treasury of the United States. I sympathize with him in that. I wonder if you know just how much it is going to cost the Treasury of the United States if the President by proclamation reduces the tariff on sugar 25 percent, and that is what is involved in this proposition.

Mr. VINSON of Kentucky rose.

Mr. WOODRUFF. I decline to yield now.

Mr. COOPER of Tennessee. But we can make a point of order against the gentleman that he is not discussing the amendment.

Mr. VINSON of Kentucky. When the gentleman says "that proposition", he does not refer to the amendment of the gentleman from Colorado?

Mr. WOODRUFF. The question I am discussing points directly to the amendment of the gentleman from Colorado.

Mr. VINSON of Kentucky. Does the gentleman say that striking this language out makes any change in the present tariff rates?

Mr. WOODRUFF. It would prohibit the President of the United States from wiping out the tariff on sugar. It does not mean anything else.

Mr. VINSON of Kentucky. The language that the gentleman from Colorado seeks to strike out is simply clarifying. It simply states that the present condition stands. That is all that the amendment was put in for—to clarify and show that the condition that now exists will remain.

Mr. WOODRUFF. Precisely; the present sugar tariff will remain. Now, will my friend take my word for it that I believe that clause was put into the bill for the very purpose he states, because I challenge the good faith of no member of the Ways and Means Committee? But I call attention to what this thing means. We are asked to authorize herein the reduction of the receipts of the Treasury of the United States by more than \$16,000,000 by the reduction of the tariff on sugar.

Mr. SAMUEL B. HILL. Will the gentleman yield? His argument is against the bill.

Mr. WOODRUFF. My argument is in favor of anything that will protect the farmers of this country, and I say that the thing involved in this reduction of the revenue accruing to the Treasury of the United States means just one thing, and that is that that amount of money will be transferred from the Treasury of the United States to the pockets of those pirates in Wall Street who have been for many years trying to destroy the domestic sugar-beet industry. Have any of you the idea that those people in New York who control that great industry in Cuba will allow any more of the money they receive for their product to filter through their fingers to the poor peons in Cuba who work in their cane fields there than they can help? Have you any idea that anybody in Cuba will reap the benefit of this reduction in the tariff if it is made? We know they will not. We know that the benefits, and all of them, will accrue to the men I have mentioned.

Mr. DINGELL. Will the gentleman yield?

Mr. WOODRUFF. I yield.

Mr. DINGELL. Is it not the gentleman's opinion that the treaty itself will protect any interests involved between the United States and Cuba, even though we do strike that out?

Mr. WOODRUFF. There cannot be any question about it. When this bill passes the House there should be nothing left in it that will result in throwing the great beet- and cane-sugar industry of this country upon the mercy of the enemies of that industry who are in powerful position in this country today.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. WOODRUFF. I yield.

Mr. MARTIN of Colorado. My amendment preserves the treaty. The gentleman from Washington the other day said that the 1902 preferential treaty was the only exclusive treaty existing between the United States and Cuba.

Mr. WOODRUFF. This whole scheme means that in the reduction of tariff on Cuban sugar, the little group of financiers in New York is going to be handed a present by the administration of \$16,245,000, at the same time the American farmer is going to be taxed \$20,000,000 in order to absorb the processing tax, or the American beet-sugar grower is going to lose \$20,000,000 if he has to absorb the processing tax.

I desire to call the attention of the sugar-beet growers to this fact: That if the President took that \$16,000,000 that is going into the pockets of a small group of financiers in New York and spread it over the sugar-beet productions and gave it to the sugar-beet growers, every sugar-beet grower in America would get approximately \$1.50 per ton more for the sugar beets than he does now, and which is more than is proposed to pay the farmer under the processing tax.

This is not a party matter. This is a matter in which the future and destiny of the American sugar-beet growers is at stake; this is a matter in which not alone the American sugar-beet grower, but the beet-sugar producers of our territorial possessions whom we have always thought, under our form of Government, to be American citizens, also are

to be deprived of the right to some part of their production in order that foreign peoples, namely, the Cubans, theoretically, but actually a few American financiers in New York, may benefit.

A clear analysis of the proposal shows contradictions which are impossible of reconciliation. Nobody yet has answered my question propounded to the administration as to how they expect to increase the income of sugar-beet growers by reducing the number of sugar beets they can grow, and at the same time lowering the price of sugar, which commodity is now and has been for the past two years lower than in any other major country in the world. Or, how they can increase the income of the sugar-beet grower without increasing the outgo of the sugar consumer.

I am perfectly willing to make this admission: If the President of the United States and his advisers have worked out a plan whereby they can increase the income of the sugar-beet growers at the same time they reduce the price of sugar to the consumer, and still not wreck the refinery interests, they have solved the riddle of the ages. If they apply the same formula to every industry in the United States they can put America back to its former state of prosperity in 30 days.

Much has been said about the refinery end of the sugar business. The sugar-beet grower must not forget, and the sugar consumer must not forget that sugar beets coming from the fields are not served in the sugar bowls on America's dinner tables, but that they first have to pass through the refinery, and that the destruction of the sugar refineries of America means the prompt and absolute destruction of the sugar-growing industry, and means absolutely the turning over of the American consumer to the tender mercies of the same gang of racketeers who in 1920 drove the retail price of sugar in the United States to 32 cents per pound because they temporarily controlled the market, and thereby robbed the American housewives of hundreds of millions of dollars.

I am quoting these facts and figures because I honestly believe that we have not given the time nor consideration to the most pertinent facts embraced in this whole program; and that if we understood the situation fully we would reject every plan that in any degree permitted the ruin of the American domestic sugar industry.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. WOODRUFF] has expired.

Mr. DOUGHTON. Mr. Chairman, I move that all debate on this amendment and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. MARTIN].

The question was taken; and on a division (demanded by Mr. MARTIN of Colorado), there were ayes 62 and noes 90.

So the amendment was rejected.

Mr. FREAR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FREAR: On page 3, line 1, after the words "free lists" insert: "Provided, That no reciprocal agreement shall be entered into or negotiated with any foreign government that has defaulted in whole or in part with its debt payments due to the United States."

Mr. FREAR. Mr. Chairman, I have sent several amendments to the desk. I ask unanimous consent that the Clerk may read the other amendments which I have offered, for the information of the House.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. COOPER of Tennessee. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOPER of Tennessee. That means, of course, that all those amendments are read simply for information?

Mr. FREAR. That is true, entirely.

Mr. CELLER. Does that mean that we can raise a point of order against each one of them individually or collectively?

The CHAIRMAN. That is always in order.

Is there objection?

Mr. FREAR. I am trying in this way to save time, and to have them all before the House, and any points of order can be presented at the time.

Mr. SAMUEL B. HILL. Are there several amendments, or just one amendment?

Mr. FREAR. There are separate amendments on different subjects, but I do not intend to discuss them for over 5 or 10 minutes at the outside.

The CHAIRMAN. Is there objection?

Mr. SEARS. Mr. Chairman, a parliamentary inquiry.

Mr. Chairman, I object. I was attempting to make a parliamentary inquiry.

The CHAIRMAN. The gentleman is out of order until he retires from the well of the House.

Mr. SEARS. I shall retire, and I still object unless the Chair recognizes me.

The CHAIRMAN. Does the gentleman propound a parliamentary inquiry?

Mr. SEARS. I undertook to propound a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SEARS. Will those amendments be considered in order as read, or will somebody else be recognized by the Chair to offer an amendment?

Mr. FREAR. If the gentleman will yield, Mr. Chairman, I hope they will be read one after the other, and be voted on, except those as to which points of order have been raised.

The CHAIRMAN. The gentleman from Wisconsin [Mr. FREAR], a member of the committee, was recognized to offer an amendment. The gentleman asks unanimous consent to have certain other amendments read for the RECORD. Is there objection?

There was no objection.

The Clerk read the following amendments:

Page 3, line 1, after words "free lists", "*Provided*, That no reciprocal agreement shall be entered into or negotiated with any foreign government that has defaulted, in whole or in part, with its debt payments due to the United States."

Page 3, line 1, after words "free lists", "*Provided*, That no condition shall be involved in any such agreement which, directly or indirectly, relates to the cancellation, reduction, or substitution of securities for any portion of the public debt that may be due the United States from the other party to the agreement."

Page 3, line 1, after words "free lists", "*Provided* any request or proposal for the cancellation, in whole or in part, of any debt due the United States from any foreign government so indebted shall be submitted by the President of the United States to the American Congress, to be thereafter acted upon affirmatively by Congress before any proclamation is made."

Page 3, line 1, after words "free lists", "*Provided*, That no reduction in tariff rates upon any American products shall be made except upon the basis of the value of the dollar at the time when such rate was fixed by law and not upon any revalued dollar as determined by Presidential proclamation."

Page 3, line 1, after words "free lists", "*Before* entering into any agreement with any foreign country under this law the President shall receive from the Tariff Commission its finding of the difference in cost of production in that country and the United States of any products affected by such agreements, which finding shall be submitted to the American Congress prior to the proclamation of the President."

Page 2, line 14, strike out the dash after the word "time" and insert thereafter "to give notice through the Tariff Commission that changes or modifications of any specified tariff schedule will be made within the powers so conferred upon him to remain in force for the period of 1 year: *Provided, however*, That such proclamation shall be subject to action by Congress at any time prior to the termination of such period."

Page 2, line 20, strike out the period after the word "hereunder" and insert "*Provided*, That no reduction in rates of duties on any agricultural product shall be entered into by the President affecting any article produced in this country until and after report received from the Tariff Commission that all importations during the preceding calendar year on such commodity did not exceed 10 percent of the volume required for domestic use."

Page 2, line 23, after the words "free lists", "*Provided*, That at least 60 days prior thereto public notice shall be given by the Tariff Commission of the proposed proclamation and all protests against said proposal shall be laid before the President by the Commission within 48 hours after its receipt."

Page 3, line 20, strike out all of subdivision B, section 2, line 20, after the words "shall be" and insert therein the following: "terminated within 1 year from the date of the Presidential proclamation unless continued thereafter by act of Congress."

Section 350, subdivision 2, lines 20 and 21, page 2, strike out the words "or decreasing."

Insert line 1, page 3, after the word "indirectly" "*Providing*, That comparative efficiency now existing between farm and other industry to be affected by this act shall be reported by the Tariff Commission to the President 60 days prior to any proclamation of reciprocal tariff agreements on any products named in such agreement. In reaching findings on comparative efficiency the Commission shall hold public hearings at which all elements affecting efficiency and entering into differences in cost of production here and in any other country to be reciprocally treated shall include:

First. Comparative living conditions.

Second. Comparative wages for industrial employment.

Third. Comparative living expenses in similar occupations here and abroad, educational opportunities, transportation of products, methods of marketing, droughts, payments for products and all other elements that may be of value in such investigation.

In reaching its conclusions the Tariff Commission may also call before it any economy, efficiency, or emergency expert who may have made special study of comparative value of Chile and synthetic nitrates used for fertilizer in such other countries as compared with the million pig nitrates furnished by the Agricultural Department to the clerks of the House and Senate for such action as may be taken at the next succeeding Congress.

Mr. SAMUEL B. HILL. Mr. Chairman, I reserve all points of order against all the amendments that have been read.

The CHAIRMAN. That has already been done.

Mr. FREAR. Mr. Chairman, the first amendment provides—

That no reciprocal agreement shall be entered into or negotiated with any foreign government that has defaulted in whole or in part with its debt payments due to the United States.

If this is adopted, it will prevent the nations that have defaulted in their debts to be included in any agreement. We have found their agreements are of little value and this is particularly true of those that repudiated their obligations.

A point of order has been raised against this amendment.

The second reads:

Line 23, after words "free lists", "*Provided*, That no condition shall be involved in any such agreement which directly or indirectly relates to the cancellation, reduction, or substitution of securities for any portion of the public debt that may be due the United States from the other party to the agreement."

Here is the same amendment I offered in the committee that was there rejected by a vote of 15 to 10. I learn a committee amendment may be offered, but I am reoffering the amendment against cancellation.

The third reads:

Line 23, after words "free lists", "*Provided* any request or proposal for the cancellation in whole or in part of any debt due the United States from any foreign government so indebted shall be submitted by the President of the United States to the American Congress to be thereafter acted upon affirmatively by Congress before any proclamation is made."

This is a safety offer providing the amendment last offered is defeated and the committee fails to present its amendment against cancellation.

The purpose of the next amendment is to avoid the 40-percent discount which comes at the outset by requiring all tariff reductions to be based upon the value of the dollar at the time the rate was fixed by Congress.

Page 2, line 23, after words "free lists", "*Provided* that no reduction in tariff rates upon any American products shall be made except upon the basis of the value of the dollar at the time when such rate was fixed by law and not upon any revalued dollar as determined by Presidential proclamation."

The next amendment reads:

Line 23, after words "free lists", "*Before* entering into any agreement with any foreign country under this law, the President shall receive from the Tariff Commission its finding of the difference in cost of production in that country and the United States of any products affected by such agreements, which finding shall be submitted to the American Congress prior to the proclamation of the President."

This is in accordance with existing law and gives protection to the thousands of industries subjected to the terms of the bill.

The next amendment reads:

Page 2, line 13, strike out the dash after the word "time" and insert thereafter "to give notice through the Tariff Commission that changes or modifications of any specified tariff schedule will be made within the powers so conferred upon him, to remain in force for the period of 1 year: *Provided, however*, That

such proclamation shall be subject to action by Congress at any time prior to the termination of such period."

This reduces any agreements to a period of 1 year, and in opposition to the 3-year term in the bill.

The next amendment reads:

Page 2, line 20, strike out the period after the word "hereunder" and insert the following:

"Provided, That no reduction in rates of duties on any agricultural product shall be entered into by the President affecting any article produced in this country until and after report received from the Tariff Commission that all importations during the preceding calendar year on such commodity did not exceed 10 percent of the volume required for domestic use."

This is to prevent any deluge of imports.

The others have been read and are sufficiently explanatory.

Let me say that my purpose in offering them at this time is so that they may be voted upon and be made a matter of record.

[Here the gavel fell.]

Mr. DOUGHTON. The amendment offered by the gentleman from Wisconsin practically rewrites the bill; and, of course, Mr. Chairman, a bill of this kind cannot be written on the floor of the House. The effect of the amendment would be to change the bill entirely and make it have just the opposite purpose.

Mr. FREAR. I am just making a record of objections to the bill, realizing that at the other end of the Capitol objections may have better consideration.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. SAMUEL B. HILL. Would it be satisfactory to the gentleman from Wisconsin to have his amendments voted upon en gross?

Mr. FREAR. Yes; I so desire, for I know that to vote upon them en gross will be to save the time of the committee. I do this as a matter of courtesy to the House and am willing to stand on the record.

The CHAIRMAN. Without objection the Frear amendments will be voted upon en gross.

There was no objection.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Wisconsin.

The amendments were rejected.

Mr. HART. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HART: On page 2, line 23, after the word "proclamation" add: "increasing the present duty on sugar refined or otherwise below the duty existing on sugar on March 1, 1934."

On page 2, line 24, after the word "made" add the word "or."
On page 2, line 15, after the word "any" add the word "other."

On page 3, line 4, strike out the word "indirectly" and everything down to the word "Provided," in line 7.

Mr. HART. Mr. Chairman, all this amendment does is to prevent the reduction of the duty on sugar or other commodities below the present rate with Cuba.

For some weeks we have had a sugar bill pending in the committee which was introduced a day or two ago; and we who represent sugar districts have tried to obtain a satisfactory agreement upon this allotment sugar bill, but so far we have not been able to accomplish that. The bill has now been introduced and I will say for the benefit of the committee it will close at least two factories in my State. Two are now closed because of the fight between Cuba and the Philippine Islands over the American sugar market. We were the innocent victims of that scrap over the sugar market in continental United States and now when we propose to put this sugar business on an allotment basis we are so reduced under the pending bill that it will force the closing of at least two large refineries worth something like \$2,000,000 apiece, and either the abandoning of land upon which we are raising sugar beets, or its being turned over to the growing of other crops of which there already exists a surplus.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. HART. I yield to the gentleman from Tennessee.

Mr. COOPER of Tennessee. The gentleman has reference to another bill entirely separate and apart from this bill.

Mr. HART. I am telling the gentleman what is going to happen.

Mr. COOPER of Tennessee. That is the bill pending before the Agricultural Committee.

Mr. HART. Yes; and a very unsatisfactory bill.

Mr. COOPER of Tennessee. That is in no way related to this measure.

Mr. HART. May I say to the gentleman that the testimony in the committee was to the effect that sugar was going to be reduced when this bill was passed. This gives the President the power.

Mr. COOPER of Tennessee. Does the gentleman mean the testimony before the Ways and Means Committee?

Mr. HART. No. This was testimony by the Department of Agriculture before the Agricultural Committee. They made the statement that the President would reduce the tariff on sugar under the sugar quota bill. Until we get a proper allotment, we from the sugar States do not propose to give the President the authority to reduce the sugar duty or until we have had an agreement with reference to this sugar bill. The only chance we have to protect ourselves is in the pending bill. Frankly, I may say to my Democratic colleagues on this side of the House that there will be an opportunity, and the Senate can eliminate this amendment if they wish, but we in the House, representing our constituents, cannot stand idly by and see our industry traded off.

I am in accord with the general intent and purposes of the bill. We grow everything else in Michigan. I am not concerned about the rest of the agricultural commodities. I am not worrying about the dairying industry, but there is something sinister in this sugar legislation and always has been. It has always been used as a political football. Because of the capital which seems to be invested in the production and refining of sugar it has always been treated differently and has always been a highly controversial subject when it comes to a tariff. I am frank to admit that in the making of tariffs it is largely a matter of whose ox is gored, but in the case of agriculture they have not only gored the ox but they have slaughtered the whole herd.

I want to discuss now, for a few minutes, the only major agricultural product where the tariff affords any protection to the producer against foreign countries, namely, sugar. The present tariff against the world is a competitive one. It permits the shipment of sugar into this country, but still permits us to produce sugar from beets at a small profit. However, our Republican friends engaged in an imperialistic program acquired some insular possessions, where the standard of living was not upon an American basis. The standard of living in these insular possessions was not different from that in Cuba, yet they were embraced within our tariff wall.

Capital took advantage of this and financed a tremendous sugar-production program in Puerto Rico and the Philippine Islands. The result has been a battle for the American market between Cuba and these insular possessions. In this battle the price of sugar, insofar as Cuba was concerned, would hardly pay more than the grinding of sugarcane, sacking, and the labor and freight necessary to deliver sugar in New York. That the American beet-sugar farmer could not compete against this is self-evident.

This ruinous price even wrecked Cuba. The administration, in their economic program, desires to rehabilitate Cuba, as it is a source of outlet for many of our commodities. It also involves our relations with the South American republics, and I am willing to concede that the administration has a problem in the handling of our economic relationship with Cuba. This centers almost entirely around sugar.

However, I do claim that the administration also has an obligation and a duty to protect the American farmer and the American business man who is engaged in the production of sugar.

For several weeks a sugar-quota bill has been under consideration. This bill does not, in my judgment, treat the

continental United States sugar producer fairly. The demoralization of the sugar market has been brought about on the one hand by Cuba and on the other hand by the rapid expansion of off-shore sugar. The continental sugar industry has been the victim of that fight, and now, when we purpose to declare peace, the sugar bill now under contemplation purposes to reward those who wrecked the sugar industry and penalize the victim of their battle.

To this program I cannot subscribe. I am willing to admit that placing the sugar business upon a quota basis and allowing those who do produce sugar to produce it at a profit is far better than to continue as in the past. During the past 10 or 12 years the sugar industry in my State has been wrecked. Less than 50 percent of the refineries were able to operate. Seventy-five percent of the operating companies were bankrupt as a result of the price war between Cuba and our insular possessions.

Now, I wish to ask my friends on the Democratic side of the House whether they are in favor of penalizing this industry, which affects 22,000 farm families in the State of Michigan alone, for the benefit of Cuba or any insular possessions. If there must be reduction in the quota of sugar and it is apparent that the reduction must be made, let the reduction be made by those who have expanded so rapidly that they destroyed the market. It is a wrong attitude to penalize the innocent for the benefit of the guilty, but that is what is taking place under the sugar quota bill.

Mr. SAMUEL B. HILL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am not inclined to criticize anybody who may feel, although erroneously, that some industry in his district or in his State might be adversely affected by legislation and rises in an effort to so amend the bill to avert any such disadvantage. May I say in this case, in my opinion, the gentleman from Michigan is unduly alarmed. I may say that even if he struck out the language which he proposes in this amendment the sugar interests of this country would not be in any better position than they are now. They might remove the preferential status from Cuba, but the removal of this preferential status from Cuba would not help the sugar industry in the United States. It would generalize this rate to all the countries with whom we have the most-favored-nation treaties. There would be no advantage in that to the sugar industry of the United States. I think that is sufficient upon that one point.

I refer to another part of the amendment which, as I caught it, had as its purpose that the President shall not have the power under this bill to reduce the tariff on sugar below the present rate now obtaining as to Cuban sugar. It would hardly be in line with good legislative policy to insert in this bill a provision that had reference to one particular commodity.

I hope the committee will not agree to the amendment proposed by the gentleman from Michigan. If we agree to this amendment, singling out one particular commodity from the general provisions of the bill, someone else could with equal propriety and with equal argument, perhaps, single out another commodity, and you cannot tell where this would lead. You would have a patchwork of exceptions to the general rule.

Mr. VINSON of Kentucky. It might be well to state that this morning, before we began the consideration of this bill, unanimous consent was granted to representatives of the Committee on Agriculture that their committee may sit today and tomorrow during the sessions of the House and a specific time was fixed in which to report upon this new sugar bill.

Mr. HART. May I say to the Committee that that bill will be called up under suspension of the rules, and we will not have a chance to offer an amendment or to change an "i" or cross a "t."

Mr. VINSON of Kentucky. And it requires a two thirds vote of the House.

Mr. HART. We want to change the provisions.

Mr. SAMUEL B. HILL. May I say in conclusion that I hope the amendment of the gentleman will be voted down.

Mr. DOUGHTON. Mr. Chairman, I move that all debate on this amendment close in 10 minutes.

The motion was agreed to.

Mr. WEST of Ohio. Mr. Chairman, I rise in opposition to the amendment.

The gentlemen on the other side of this House, judging from the number of times the question has been brought up, seem to take a special delight in injecting into the debate on reciprocity trade agreements that old-time controversy over sugar. It may be well, therefore, to spend a minute or two to point out to these friends that the President's action with respect to sugar certainly confirms the confidence we have in that great Executive now in the White House. When the Tariff Commission had completed a very elaborate cost investigation under section 336 of the Tariff Act of 1930 on sugar did President Roosevelt merely follow its findings? Certainly not before taking steps to safeguard the interests of continental beet- and cane-sugar producers. Our Republican friends harp on the virtue of the cost-of-production formula. Well, are they aware that this formula showed that a reduction from 2 to 1½ cents per pound on sugar was indicated by the Tariff Commission's investigation? The President could have put into effect that reduction under the powers granted him by the so-called "flexible provisions." But he first took steps to have the Congress declare sugar a basic agricultural commodity and to have a processing tax of one-half cent—the equivalent of the indicated reduction in duty—imposed on sugar, thus giving a direct benefit to continental producers. This bounty to domestic sugar interests is, of course, a far greater benefit to them than a reliance upon the tariff in that it gives them a distinct and direct protection against the producers in our insular possessions. The imposition of a processing tax not only gives a direct benefit to domestic sugar producers but it also protects against lower prices which would result from putting into effect the reduction in duty indicated by the Tariff Commission's cost-of-production study.

As I have indicated, sugar producers in continental United States have been confronted with competition, not only from Cuba but equally severe competition from the producers in our insular possessions. From 1921 the Philippine Islands have increased their output from 300,000 short tons to nearly 1,200,000 short tons in the 1933-34 season, or 900,000 tons; Hawaii has increased by about one half million tons, and Puerto Rico by nearly the same amount. Sugar-beet producers during the same period have increased their output from about 1,000,000 to 1,600,000 tons, while the production in Cuba has dropped off very markedly. It would appear, therefore, that the Philippine Islands are one of the most severe competitors of the domestic beet-sugar producers.

The quotas adopted in the sugar quota bill attempt to hold in check the production of the producers in the insular possessions and give to the sugar-beet growers an amount which seems reasonably fair in the light of their production experience, which over a period of 13 years is given below:

	Short tons
1921-22.....	1,021
1922-23.....	690
1923-24.....	882
1924-25.....	1,091
1925-26.....	901
5-year average.....	917
1926-27.....	897
1927-28.....	1,081
1928-29.....	1,051
1929-30.....	1,010
1930-31.....	1,205
5-year average.....	1,049
1931-32.....	1,148
1932-33.....	1,351
1933-34.....	1,600

Much has been made of the testimony of Secretary Wallace, when during the hearings before the Ways and Means Committee on the tariff reciprocity bill, he was questioned about the domestic-sugar industry. He did not say

anything that could be interpreted as recommending a destruction of the beet-sugar industry, but rather stated. I quote:

I have stood precisely and definitely before the Senate Committee on Finance for maintaining the beet-sugar industry on the basis of 1,450,000 tons, which is the average of the past 3 years. I do not think the beet-sugar industry should be allowed to extend further, because if it is expanded further it is doing it at the expense of our export agriculture; it is robbing the wheat farmer of a market for lard in Cuba. I think it is unsound economically to allow an industry of that type to expand further at the expense of efficient agriculture. (Hearings before Ways and Means Committee on H.R. 8430, p. 60.)

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HART].

The question was taken; and on a division (demanded by Mr. CARPENTER of Nebraska) there were—ayes 71, noes 86.

Mr. HART and Mr. CARPENTER of Nebraska demanded tellers.

Tellers were ordered, and the Chair appointed as tellers, Mr. DOUGHTON and Mr. HART.

The committee again divided and the tellers reported that there were—ayes 114, noes 121.

So the amendment was rejected.

Mr. CONDON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONDON: Page 3, line 16, after the word "part", insert a colon and the following: "Provided further, That the President shall take care in entering into such agreements that no tariff rates shall be reduced to such an extent as to eliminate or destroy any existing industry or business activity."

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mrs. ROGERS of Massachusetts. I object.

Mr. DOUGHTON. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. CONDON. Mr. Chairman, it has been repeatedly said in the course of this debate, not only by members of the committee but Members on this side of the Chamber who have debated this question, that this bill would not cause the elimination or destruction of any industry, and that all the fears expressed in that regard were groundless.

Now, Mr. Chairman, if that statement is true, if there was sincerity on the part of the members of the committee that no industry would be destroyed or eliminated, then there can be no objection to this amendment. It will be a congressional direction to the President that we do not want to have destroyed any existing industry, any small manufacturing industry, or any agricultural industry, or any business activity. [Applause.]

You gentlemen who are interested in sugar can support this amendment, and you can support the President of the United States at the same time. The State Department has appeared before the Ways and Means Committee and assured that committee, and the committee has in turn attempted to reassure the House that no existing industry will be destroyed by this bill. Let us put that into the bill; let us put in the idea and thought expressed by the Secretary of State and the representatives of the State Department.

The gentleman from Nebraska said a moment ago that the provision in the bill with reference to excise treatment did not affect any agricultural interest, did not affect coconut oil, and stated that they took special care of seeing to it that the coconut oil excise tax was protected. I say to you, Governor SHALLEMBERGER, we ask no more for the small industries in our districts. We ask the same protection that you were so solicitous about when you had the matter before your committee.

Mr. Chairman, the platform of our party does not pledge us to the enactment of an outright reciprocal trade policy, such as we have before us today. We are not compelled by party regularity to support this measure. I will support

it if safeguarded by this amendment. But I cannot vote for this bill if I am told by the Secretary of State or any of his agents that there are industries in my district, because they are small, that must be eliminated on the ground that they are inefficient. [Applause.]

Industries are not inefficient because they are small, and Mr. Chairman, one of the small industries of my district is the jewelry industry. There are other industries, and if they are eliminated under this bill where will you send the thousands of men and women who will be made victims of such an agreement? They will be unemployed. Do you want to send them out into the agricultural districts? They are in desperate straits today. I hope, Mr. Chairman, my amendment will be adopted. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I hope this amendment will not prevail. It is absolutely impractical. It is impossible of administration. No one can tell when an industry fails whether it was the result of the raising or the lowering of some tariff rate. Many industries have failed in the United States in the last 4 years, and how could anyone determine how many of those industries have failed on account of the tariff? There would be no way of determining it.

Mr. COOPER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. COOPER of Tennessee. I ask the chairman to yield that I might again read to the House the expression of the President of the United States himself which is directly applicable to the point raised by this amendment. In his message to the House on March 2 he said:

The exercise of the authority which I propose must be carefully weighed in the light of the latest information so as to give assurance that no sound and important American interest will be injuriously disturbed. The adjustment of our foreign trade relations must rest on the premise of undertaking to benefit and not to injure such interests. In a time of difficulty and unemployment such as this, the highest consideration of the position of the different branches of American production is required.

Mr. CONDON. Why object to this amendment then?

Mr. DOUGHTON. If the gentleman cannot take the word of the President of the United States when he has assured the country that no legitimate industry will be disturbed or crippled, much less eliminated, then he has his seat on the wrong side of the aisle.

Mr. CONDON. Why doesn't the gentleman agree to the amendment then?

Mr. DOUGHTON. Because it is impractical and impossible of administration.

Mr. CARPENTER of Nebraska. And I say to the gentleman from North Carolina that he ought to be on the other side of the aisle.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island.

The question was taken and on a division, demanded by Mr. CONDON, there were, ayes, 69; noes, 86.

Mr. CONDON. Mr. Chairman, I demand tellers.

Tellers were offered and the Chair appointed Mr. DOUGHTON and Mr. CONDON to act as tellers.

The committee again divided and the tellers reported, ayes, 96; noes, 132.

So the amendment was rejected.

Mr. COOPER of Tennessee. Mr. Chairman, as announced by the chairman of the committee a few moments ago, it is important that we conclude this bill within a reasonable time. I move that all debate upon this section and all amendments thereto do now close.

The CHAIRMAN. The question is on the motion of the gentleman from Tennessee that all debate upon the section and all amendments thereto do now close.

The question was taken; and the Chair announced that the motion was agreed to.

Mr. SEARS. I demand a division.

Mr. BLANCHARD. Mr. Chairman, I offer an amendment which I send to the desk.

Mr. SEARS. Mr. Chairman, is the Chairman a part of the railroading committee or will he recognize a proper

request made of the Chair under the rules which he is supposed to follow?

The CHAIRMAN. Is the gentleman making a parliamentary inquiry?

Mr. SEARS. I demanded a division and the Chair refused to hear me.

Mr. VINSON of Kentucky. Mr. Chairman, I make the point of order that the demand came too late.

Mr. SEARS. Oh, no; it did not. The Chair had not announced the vote.

The CHAIRMAN. The point of order is sustained and the Clerk will report the amendment offered by the gentleman from Wisconsin.

The Clerk read as follows:

Amendment offered by Mr. BLANCHARD: Page 3, line 1, after the word "lists" insert: "nor shall any proclamation be made relating to the tax on coconut or sesame oils."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. BLANCHARD) there were—ayes 41, noes 98.

So the amendment was rejected.

Mr. WILCOX. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WILCOX: Page 3, line 7, after the word "Cuba", insert: "Provided, however, no agreement shall be made with any foreign government whereby tariffs or import duties on products of agriculture or horticulture shall be reduced below an amount necessary to equalize the difference in cost of production of such products in the United States with the cost of production in such foreign countries."

Mr. WILCOX. Mr. Chairman, I ask unanimous consent to address the House for 5 minutes on that amendment.

The CHAIRMAN. Is there objection?

Mr. DOUGHTON. I object.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The question was taken; and on a division (demanded by Mr. O'MALLEY) there were—ayes 41, noes 83.

Mr. SEARS. Mr. Chairman, I demand tellers.

The CHAIRMAN. Those favoring taking this vote by tellers will rise and remain standing until counted. [After counting.] Eight Members have risen; not a sufficient number. Tellers are refused. So the amendment was rejected.

Mr. KNUTSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KNUTSON: Page 3, line 1, after the word "lists" insert, "nor shall any proclamation be made increasing existing rates of duty on any agricultural or industrial commodity."

The question was taken; and on a division (demanded by Mr. SEARS) there were—ayes 37, noes 79.

So the amendment was rejected.

Mr. SEARS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. SEARS. I make the point of order that the Chair did not count the Members standing.

The CHAIRMAN. The Chair always counts. The point of order is overruled.

Mr. MOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOTT: Page 3, line 1, after the word "lists" insert, "nor shall any proclamation be made decreasing existing rates of duties on agricultural or horticultural products, or on lumber."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon [Mr. MOTT].

The amendment was rejected.

Mr. GRAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRAY: Page 2, line 15, strike out the word "two" and insert "with the concurrence of the Senate, by two thirds vote to."

Page 3, line 16, after the period, insert the following: "No such agreement shall become effective until the same shall have been first submitted to the House of Representatives and approved by the Congress."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. GRAY].

The amendment was rejected.

Mr. O'MALLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'MALLEY: Page 3, between lines 22 and 23, insert the following new paragraph:

"(c) No foreign-trade agreement concluded pursuant to this act shall contain any provision permitting directly or indirectly the shipment into the United States of any article manufactured or produced by a foreign subsidiary of a company organized under the laws of any State of the United States."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. O'MALLEY].

The amendment was rejected.

Mr. HENNEY. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HENNEY: On page 3, line 16, after the word "part", strike out the period, insert a colon, and add: "Provided, however, That imports of such drugs, serums, confections, foods, condiments, and cosmetics previously prohibited as inimical to the public health shall not be subject to the provisions of this act."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. HENNEY].

The amendment was rejected.

The Clerk read as follows:

SEC. 2. (a) Subparagraph (d) of paragraph 369, the last sentence of paragraph 1402, and the provisos to paragraphs 371, 401, 1650, 1687, and 1803 (1) of the Tariff Act of 1930 are repealed. The provisions of section 336 of the Tariff Act of 1930 shall not apply to any article with respect to the importation of which into the United States a foreign trade agreement has been concluded pursuant to this act. The third paragraph of section 311 of the Tariff Act of 1930 shall not apply to any agreement concluded pursuant to this act with any country which does not grant exclusive preferential duties to the United States with respect to flour.

(b) Every foreign trade agreement concluded pursuant to this act shall be subject to termination, upon due notice to the foreign government concerned, at the end of not more than 3 years from the date on which the agreement comes into force, and, if not then terminated, shall be subject to termination thereafter upon not more than 6 months' notice.

Mr. DOUGHTON. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. DOUGHTON: On page 4, after line 16, insert the following new paragraph: "(c) The provisions of this act shall terminate 3 years from the date of its enactment."

Mr. DOUGHTON. Mr. Chairman, there has been an amendment suggested by the gentleman from Massachusetts [Mr. McCORMACK], as also the gentleman from Texas [Mr. BAILEY], and many other Members of the House, and certain criticism directed at the bill. The committee gave careful consideration to these suggestions and in order to show that the bill is only an emergency measure and only intended as such, this amendment is offered by the committee.

Mr. GREEN. Mr. Chairman, I rise in opposition to the amendment. I am not adversely interested in the committee amendment.

Mr. Chairman, I was particularly interested in the item which was offered as an amendment to the bill by my colleague from Florida [Mr. WILCOX], which had reference to our fruit and vegetable and sugar-cane industries, particularly fruits and vegetables in our State.

Under the present tariff arrangement we believe that the protection which our fruits and vegetables now enjoy is largely the reason why our producers are now in business. If existing tariff on our fruits and vegetables should be canceled and fruits and particular vegetables from Mexico and the islands, Cuba, and others adjacent to us permitted to enter duty free, we will just have to go out of business, I fear.

The American people would eventually be held up by excessive prices which would be charged for imported fruits and vegetables from the islands and from Mexico. After all, our Florida vegetables and fruits keep down the price paid by the consumer.

It is common information, Mr. Chairman, that the labor used in Mexico and in the islands to produce vegetables which come in competition with our Florida-grown vegetables is not altogether on a parity with the living standards and wages paid to our laborers. I understand as low as 25 or 30 or 40 cents a day is paid to the laborers on the islands and in Mexico.

In the State of Florida, where we endeavor to hold a high standard of living and maintain an adequate wage standard, it will be impossible for our growers to compete with foreign products that are made at such low costs of production. We believe adequate tariff protection essential to our agricultural existence.

I think it very unfortunate that this House did not, in its wisdom, adopt the amendment which my colleague offered. If you drive out of production the Everglades section of my State and the other vegetable-growing sections of my State, then the American people will fail to receive in the winter-time the vegetables which they are now receiving and will receive an inferior quality of vegetables grown in the islands and Mexico and will increase the peril which we have had from infestation by undesired pests and plant diseases from the islands, Mexico, and other foreign countries with tropical and semitropical climates.

Mr. KNUTSON. Does the gentleman think if we imported, as has been rumored, 20,000 carloads of fresh vegetables from Mexico it would have an injurious effect on the truck farmers of Florida?

Mr. GREEN. Undoubtedly it would. The gentleman knows the cheap wage standard of Mexico. I believe it is common information that there are now forces at work in Mexico and in the islands undertaking to arrange for increased production upon passage of legislation favorable to foreign-grown products. I believe contemplation of passage of this legislation has already inspired increased production of these products by our neighboring islands and Mexico.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield.

Mr. RICH. If we assist the gentleman in trying to protect the vegetable growers of his State, will the gentleman be so good as to assist the other lines of business of the other States? If the gentleman will, we are for him 100 percent.

Mr. GREEN. I appreciate the attitude of the gentleman from Pennsylvania, and voted recently for the amendment to protect the sugar growers of the South and the West. I am particularly interested that the growers of agricultural products in this country may not be injured. We should yet amend the bill to guarantee protection to our growers. I have the utmost confidence in the President and have voted 100 percent for every one of his proposals, and even voted to sustain his recent veto. He will, I am sure, see that our own fruit and vegetable growers are given protection and given all preference over growers of foreign countries, but it is the duty of the Congress to write into this bill language to protect our growers and I hope you will join in doing this.

[Here the gavel fell.]

Mr. CELLER. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. CELLER to the amendment offered by Mr. DOUGHTON:

At the end of the amendment insert:

"Provided, That the President shall not be empowered to enter into any trade agreement with a foreign government or instrumentality thereof if such agreement have a duration longer than 5 years from the date this statute goes into effect."

Mr. CELLER. Mr. Chairman, I offered this amendment to the amendment of the distinguished chairman of the committee, the gentleman from North Carolina [Mr. DOUGHTON], for I believe that despite the fact that the

country needs these powers to be delegated to the President because of the extreme emergency we are in, in order to increase our foreign trade, nevertheless, there must be some brakes of a definite character and nature placed upon those powers.

Early this afternoon I requested that an amendment be offered to the effect that the powers shall cease after 3 years. This amendment is being offered, but it is not sufficient, because it is possible during the very last week of the 3-year period for the President to enter into a trade agreement for 50 years, and no one could gainsay him. I do not say that the President will do so, but when you contemplate that we are surrendering to the Executive such substantial powers, we dare not, we cannot, if we have the interests of the Nation at heart, take any chances as to what the President may do.

Almost every nation that has given power to the Executive to make similar negotiations has put some sort of restraint upon that power, not only as to time but as to the ratification by Parliament or Chamber of Deputies. I am informed, as I read the testimony of the Assistant Secretary of State, Mr. Sayre, that, for example, in England, although the Prime Minister has the right to enter into these trade agreements, if within 28 days the Parliament of England fails to act then and only then is the treaty or trade agreement valid. Even in Fascist Italy there must be a return, be it ever so formal, to the Chamber of Deputies before this agreement can become effective. In France the Premier has only within the year 1935 power to make these negotiations, and even then there must be a reference directly back to the Chamber of Deputies before negotiations may be deemed successful; in other words, there must be subsequent ratification by the legislative branch.

I ask the members of the committee to tell me the difference between a trade agreement and the treaty agreement as far as this bill is concerned.

Despite the fact that the term used in the bill is "agreements", I am quite convinced that such agreements contemplated by this bill are none the less treaties not only in contemplation of the Constitution, but also in contemplation of international law. It must be remembered that these agreements are not executive in character. They are not agreements, for example, affecting the entrance of ships of our Nation and, say, those of England into the respective harbors or ports of entry of the two countries. They are not agreements concerning sanitary arrangements affecting ships of two mutual countries. Such agreements are purely executive. The agreements contemplated by this statute involve duties, embargoes, quotas, and restrictions of the highest character. They involve, in a certain sense, taxation. They become in a certain sense, therefore, legislation. While I do not wish to belabor the point, I incline to the view that such agreements are therefore treaties and should be submitted to the Senate for ratification. The only point in raising this question is to show you how far-reaching are the powers we surrender and delegate to the President.

Tariffs are frequently stated to be provocative of armed international conflict. Therefore, in a certain sense, if this bill passes—and I hope it will—the President will have the right to exercise powers that may provoke war. In other words, we delegate to him the power to set up causes for war. That is why I am anxious to have inserted in the bill the additional limitation that no agreement shall have a longer duration than 5 years.

We certainly abandon many of our rights by this bill. We invade many traditions. Almost a sublime intelligence is required to bring the negotiations contemplated by the bill to successful conclusion. The President cannot do it all. We all have great confidence in his sincerity of purpose and statesmanship. But he must, in turn, parcel out his authority to others. The ability of shrewd trading is essential. Unfortunately, not all his agents in the State Department are shrewd traders. Not all of his agents will have his intelligence. See how dismally we failed in the liquor negotiations. When we attempted to trade with France our apples for their wines we certainly got the short end of the stick.

Withal, the emergency is serious and desperate. Desperate remedies are required. Nevertheless, we must circumscribe the powers given. In our desperation we should not give all. We must hold back some powers.

[Here the gavel fell.]

Mr. COOPER of Tennessee. Mr. Chairman, I shall take but little of the time of the House replying to our distinguished colleague from New York.

I hope, of course, this amendment will not be adopted. It strikes at the very heart of the purposes to be accomplished by this bill. If we are to so restrict the President of the United States in the exercise of the discretionary authority conferred by this bill, certainly no purpose can be served by the enactment of the legislation. Certainly we want the President of the United States when he meets the representatives of the other nations of the world to have sufficient latitude that he may be able to bargain with them and to enter into trade agreements in the interests of the people of our country.

This amendment strikes at the very purpose to be served by the enactment of this legislation, and I sincerely hope the amendment will not be agreed to.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

In connection with what the gentleman from Tennessee said, I want to say that I offered this amendment in the Committee on Ways and Means and it was adopted this morning.

The amendment submitted was along the lines urged by the gentleman from New York, but after a review of what this would do in its practical operation, realizing it would cramp the President in successfully carrying out these emergency powers which the circumstances existing compel us to delegate to him temporarily, and still wanting a temporary delegation of the power, I reached the conclusion that that portion compelling agreements to be made under this bill to expire in 3 years or in 5 years would operate in a way that would limit the President in successfully carrying out the provisions of the bill. The gentleman from New York and I are in complete harmony theoretically, but from a practical angle his amendment would defeat the purposes we have in passing this bill. I am in complete harmony with the statements of the gentleman from Tennessee, and I hope the gentleman from New York, whom I respect, will withdraw his amendment rather than compel it to be submitted to a vote.

The CHAIRMAN. The question is on the amendment of the gentleman from New York to the amendment of the gentleman from North Carolina.

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was agreed to.

Mr. VINSON of Kentucky. Mr. Chairman, I offer a committee amendment which I send to the Clerk's desk.

The Clerk read as follows:

Committee amendment offered by Mr. VINSON of Kentucky: At the end of the bill insert the following new section:

"Section 3: Nothing in this act shall be construed to give any authority to cancel or reduce in any manner any of the debts of any foreign country to the United States."

Mr. VINSON of Kentucky. Mr. Chairman, as heretofore stated by me, this amendment is offered for the purpose of making clear, even to doubting minds, that no authority is to be conferred upon the Executive which would permit him to reduce or cancel any foreign debts due the United States. Such authority was not conferred in this bill, but in order to meet this erroneous criticism, I offer this amendment as a committee amendment. I ask for a vote on the amendment.

The CHAIRMAN. There are a number of amendments to be proposed to section 2. If this amendment is adopted creating a new section, the other amendments to section 2 will not be in order.

Mr. VINSON of Kentucky. Mr. Chairman, I ask unanimous consent that in the event this amendment is adopted

as section 3, it shall not preclude the offering of amendments to section 2.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The amendment was agreed to.

Mrs. McCARTHY. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mrs. McCARTHY: Page 4, line 5, after the word "act", strike out the rest of the paragraph down to and including the word "flour" in line 9.

Mrs. McCARTHY. Mr. Chairman, line 5, page 4, states that the third paragraph of section 311 of the Tariff Act of 1930 is not to apply to any agreement concluded pursuant to this act. I want you to know what material is being eliminated in the tariff bill. This is the provision that no flour manufactured in a bonded manufacturing warehouse from wheat imported into this country shall be withdrawn from such warehouse for exportation, without payment of a duty on such imported wheat equal to any reduction in duty, which by treaty will apply in respect of such flour in the country to which it is to be exported.

In other words, if this provision in the tariff bill prevails and eliminates the application of the third paragraph of section 311 of the Tariff Act of 1930, there will be an unfair discrimination against the millers in the Southwest. The State of Kansas is first in the Union in the milling of wheat and this will result in unfair discrimination so far as we are concerned, because of the use of Canadian wheat in these bonded warehouses. At the present time these Buffalo millers, using Canadian wheat, are obliged to pay the difference in duty and denies to them the benefit of the 35-cent reduction in tariff duties granted by the Cuban Government to the products of the United States. This protection to southwest millers will be eliminated if this provision in the present tariff bill prevails. As the bill stands you are restoring to Buffalo mills using Canadian wheat the full benefit of all concessions that may be granted to wheat grown in the United States when the flour is exported to foreign countries. This would augment the present price and transportation advantages these mills already have, and mean that southwestern flour could rarely compete with flour milled in bond at Buffalo from Canadian wheat.

I want to call your attention to the fact that at the present time a new Cuban treaty is being negotiated and the pending tariff provision, if made effective, would virtually repeal the clause in the present tariff law which now protects our millers.

Mr. SAMUEL B. HILL. We are not repealing the act insofar as it applies to Cuba, because that is exclusively a preferential treaty. So it will remain just as it is now and the language was framed with that particular idea in view. I think the gentlewoman from Kansas has an erroneous idea of what the effect will be. I can assure her that the situation as presented in the language of this bill still requires the Buffalo millers to pay the 20-percent tax on flour milled from Canadian wheat and shipped into Cuba.

Mrs. McCARTHY. The gentleman would be correct except for the fact which I am telling him now that there is a new Cuban treaty under negotiation and this provision in regard to countries granting exclusive preferential duties to the United States will no longer apply to Cuba.

Mr. FULLER. I may say to the gentlewoman from Kansas that that matter was brought up in the committee this morning and it is one in which I am very much interested, as well as the gentlemen on the committee from Oklahoma, Missouri, and Texas. There is quite a close question involved and we raised the question with the representative of the parties concerned and he first submitted his proposed amendment to us and then there was some question whether or not that would cure the situation anticipated, and we

therefore decided that if there was any injury involved in the matter that we were liable to sustain so that it would be necessary to amend the language, we would let the Senate take it up after we had conferred further about it.

[Here the gavel fell.]

Mrs. ROGERS of Massachusetts. Mr. Chairman, I would not rise in opposition to this amendment if I did not feel there were many discriminations against those in our part of the country. I am very much interested in the section of the country represented by the gentlewoman from Kansas [Mrs. McCARTHY]. I realize the extremely unjust discriminations contemplated and made possible by the enactment of this bill against the industries of this country. Witnesses for the administration admitted that some industries would be put out of business by reciprocal trade agreements. I do wish my colleagues on this side of the House—and I speak with the greatest interest in them and in their industries—would show the courage that they exhibited 2 days ago when they voted with us.

They are Democrats, they did not mean to say then they did not trust their President, they simply meant to say by their votes that with all he had to do he could not and did not watch all the rules and all the regulations involved. Their votes 2 days ago took care of several groups of people. This will help all. If they will only defeat this bill it will protect industry, both agricultural and commercial, all over the land.

With the tariff provisions in this bill you are striking at the very heart, the life of our industries. We must save our industries. If they are closed people cannot have work and people will be hungry. There will be suffering and even starvation. Instead of having commodity exports to foreign countries, if this bill passes you will have exportation of human beings—they cannot live in America. [Applause.]

The CHAIRMAN. The question is on the amendment of the gentlewoman from Kansas [Mrs. McCARTHY].

The amendment was rejected.

Mr. TREADWAY. Mr. Chairman, I offer an amendment as another section of the bill.

The Clerk read as follows:

Amendment offered by Mr. TREADWAY: On page 4, after line 16, add the following new section:

"Sec. 3. No foreign trade agreement concluded pursuant to this act shall become operative until it shall have been approved by Congress."

The amendment was rejected.

Mr. BAKEWELL. Mr. Chairman, I offer an amendment.

Mr. O'MALLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. O'MALLEY. Mr. Chairman, I wonder if, to be recognized, it would be better to get on the other side of the House.

The CHAIRMAN. That is not a parliamentary inquiry, in the judgment of the Chair.

Mr. DOUGHTON. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 10 minutes.

The motion was agreed to.

The CHAIRMAN. The Clerk will report the amendment of the gentleman from Connecticut [Mr. BAKEWELL].

The Clerk read as follows:

Amendment offered by Mr. BAKEWELL: On page 4, after line 16, insert the following new section:

"Sec. 3. Any foreign trade agreement concluded pursuant to this act shall reserve to Congress the right of rejection of such agreement at any time within 1 year from the time such agreement comes into force."

Mr. BAKEWELL. Mr. Chairman, this is a momentous measure. This bill gives to the President the power of life and death over almost every industry in New England, certainly over all consumers' goods industries.

This has been represented by its proponents as a measure which merely grants to the President the power which is already enjoyed by the executives of all other important trading countries. This is simply not true. Hardly any country in the world, where constitutional government still

exists, has granted its executive the power which you are here proposing to give to the President of the United States. In the very report submitted along with this bill by the majority members of the Committee on Ways and Means you will find that the evidence shows that in the great majority of countries where the executive is given the power to modify tariff rates by decree ratification by the legislative body is necessary. The executive is in many countries given the right to put the changed tariff rates into effect overnight, but ratification must sooner or later be had by the parliamentary bodies before the changed rates are permanently effective. You will find the same thing evidenced in the statement made by Mr. Sayre. A very limited number of countries have the authority to make these rates effective without the approval of their respective parliaments. Canada and British India are the only ones mentioned that have that authority.

Mr. Chairman, certainly in a matter of this importance we ought at least to safeguard our rights as well as they do in other lands where tariffs are changed by executive decree. We have no right to surrender this power absolutely to the President. If we do make this mistake, we ought at least to protect our industries to the extent of making possible a review by Congress.

Mr. GRAY. Mr. Chairman, the Constitution provides that all revenue measures shall originate in the House of Representatives, for the separation and division of governmental powers, and further that all treaties must be agreed to by the Senate by two-thirds vote.

In the maneuvers here today, to evade the express, explicit, and plain provisions of the Federal Constitution, we are told that the agreements contemplated are not treaties to be confirmed and that measures producing revenue are not revenue measures to be originated in the lower House of Congress.

But, Mr. Chairman, it is not what an object may be designated or named. It is not what a lawyer may term his complaint, cross complaint or petition, nor his counterclaim, set-off, or answer; it is the facts plead in the instrument and the relief prayed for in the pleading that fixes and determines its status before the court.

You may call a horse a cow, but the application of the name "cow" will not make the animal a female bovine, or at least will not change a horse to a cow so that you can milk it, nor give the animal a status from which to make butter, sell buttermilk, start a dairy or a cheese factory. We must look to the characteristics of the animal and special requirements for use and service from which to determine its classification in domestic-animal life. Certainly it could not be seriously insisted that the animal is a cow while looking at its teeth to determine its age or examine its hocks to discover a blemish. [Laughter and applause.]

And so it is with the application of the provisions of the Constitution to the measures which bring in revenue to the Government and which are to be of solemn entry and binding obligations upon the contracting sovereign nations. The measures producing revenue, or revenue measures and the obligations here termed "agreements", are treaty obligations.

By this first amendment offered, I would require the agreements negotiated to be confirmed by vote of the Senate as other binding obligations between nations or solemnized and given the force and effect of treaties as provided expressly by the Constitution.

The second amendment was offered to require all negotiations and agreements entered into by the President to be submitted, first to the House of Representatives where all revenue measures must be initiated and followed by the approval of Congress.

To say that tariff measures are not revenue measures where their only validity is incident to revenue, and that contracts negotiated between nations are not treaty obligations, is a subterfuge, and evasive plea to avoid and evade the Constitution and leave it a bare optional theory to be adhered to or abandoned at will, to meet the temporary expediency of the hour.

I am in full accord with the object and purpose and the policy of this legislation. I am in accord with reciprocal tariff agreements. I am in accord with negotiations and legislation to recover our export trade driven from us by greedy tariff laws provoking trade retaliations against us. I am in accord with legislation to recover our export trade with China, India, and the Orient, deliberately broken up and destroyed by participation of our money-mad misers with British financiers and bankers, to force the international gold standard upon the unsuspecting, defenseless people of India, China, and the Far East, destroying the value of silver as money, the only money medium of exchange and the only means of these people by which to buy, take, and consume American products, the products of farm, mill, and workshop.

I am in accord with tariff legislation and with all legislation to open up the ports of European countries closed against the entry of American products by allowing our international financiers and bankers to multiply the burden of their private loans upon the people and taxpayers of foreign nations until Captain Fetch of the Army Air Service says that we are the most-hated Nation of the world. I am in accord with the tariff policy to rehabilitate our foreign trade as I am with the revaluation of gold to restore commodity values and the price level and the buying and consuming power of the people and normal prosperity to the country.

But while I am in full accord with all these, I am in more even accord with the Constitution under which I have taken an oath and obligated myself to uphold, maintain, and defend. I am in accord with the division of powers, the separation of the executive, judicial, and legislative provided for and set forth by our forefathers to safeguard against tyranny and usurpation in office. And I am further obligated as a Member of Congress under the oath of my office here not only to limit the taxing power to the legislative branch of the Government and to maintain the provisions requiring all measures to raise public revenue to originate in the House of Representatives, the body nearest and most directly responsible to the people. Without this check and restriction upon men, officials in one branch of the Government, actuated by selfish human nature, as all men are first actuated and imbued, would encroach upon the office of another, break down the basis, and separation of powers until all powers were centered in one body of men. The framers of the Constitution are not here to urge the preservation of the division and separation of powers. Thomas Jefferson and Jackson are not here to insist upon this constitutional check and restraint. And I am considering the provisions of this bill in the presence of their lingering spirits still abiding with us in the name of democracy.

While endorsing and supporting the President for a trial of his plan for prosperity, I am not accepting or endorsing the policy of Congress delegating legislative power to be exercised arbitrarily by the President, powers with which Congress itself is chargeable, and under the imperative provisions of the Constitution must assume and stand responsible to the people whom Members directly represent and to whom they must answer for what is done. If this power was only to be exercised by President Roosevelt, and if I knew Roosevelt would always live and would always be President, or some Coolidge or Hoover would always be President, I might vote to confer this power for a time. Such would be my abiding faith and confidence in these Executives, in the men who have served as Presidents. But life is always uncertain and politics is even more precarious, and this is a delegation of power not personally to President Roosevelt but the Office of the Chief Executive, to be exercised by any President in office occupying the place.

I regret and disapprove of the policy here urged of delegating legislative powers to the Executive, not because of conferring powers upon President Roosevelt nor of the dangers conferring power upon this President but because of conferring powers upon a good President to accomplish and carry out a good purpose will establish a rule and

precedent and would prepare and leave the way open for the surrender and delegation of powers to a bad President for a bad purpose. Because this is a delegation of power, not to the President personally in office, but to the President in his official capacity to be exercised by any President in office, a successor in office, whoever he may be, and whoever, within the provisions of the power granted, could take advantage and exercise the powers conferred as well, whether he be an Abraham Lincoln or a mad Nero thirsting for autocratic power and bent upon a course of despotic rule.

I hope I have not been following Democratic leaders through all these long, weary, trying years through election campaigns in vain, without recompense, through defeat at the polls, one after another, to uphold the principles of Jefferson and Jackson and the sacred Constitution reposed to our safe-keeping. I hope I have not been following Democratic leaders only at the end of life's weary trail to be led or decoyed into a political ambush and to make an ignominious surrender of all that was sacred and cherished in the lives and public service of Jefferson and Jackson. I hope I have not come to see them deliver us to the very forces and predatory interests which Jefferson warned us to shun and evade, and which Jackson inspired us to resist and defy. I hope that I have not maintained this long confidence and abiding faith in their sincerity and honesty of purpose, in their unfailing duty to the cause of democracy, through all the recurring years of defeat, through winter's winds and summer's sun, through clouds, sunshine, and shadows. I hope I have not been inspired to courage, resolution and will by their declaration of purpose, position, and example to uphold the principles of Jefferson and the great basic fundamentals of liberty, freedom, and human rights.

I hope I have not followed them, only to find at the evening of life's day, I have been misled to follow mere pretense and now made to realize and know that the ideals I was taught to worship and the heroes I have followed were but an empty vision or mirage, only a vanishing dream of Jackson and Jefferson, and only to be crushed by hope deferred, and by ingratitude to suffer remorse for a life of loyal devotion and a long journey to do honor to leaders in the great common cause set forth in the Declaration of Independence, and for which the Federal Constitution was framed, was provided to make secure.

Regardless of how far the North differed with the people of the Southern States in their claim for local self-government and absolute State sovereignty, their earnest, consistent devotion to the cause commanded universal respect and admiration. And when the Armies of the North met the troops of the great Southern States at Antietam, Chickamauga, and the Wilderness, they knew they had met a worthy foe and that the spirit of the people was dauntless, fearless, and invincible. Because of this spirit and character of the people of the great Southland, they were always honored and respected by the North. And because of their enduring principle and character the soldiers in the blue honored and respected the soldiers who wore the gray. But time has brought a mighty change in the nature, spirits, and characters of men. The succeeding generations of the South have abandoned the ideals of their fathers. They are not only giving up their fathers' claims but are yielding supinely to each and every command for the surrender of their local power and prestige. They are not only abandoning the principles of local self-government in their affairs, but are inviting the centralization of power to take over and administer their private, civil, and industrial lives, and are compromising every principle and policy which gave dignity, honor, and prestige to the people of the great Southland.

The body suffers in pain from the violations of the laws of nature, as the soul and conscience suffer in anguish from disobedience to justice and right and the moral law. So we are suffering today in our economic and political life from a breach and violation of the sacred Federal Constitution, the vital basic law of the land. We are suffering from a disre-

gard of the warnings and admonitions of Thomas Jefferson, the author of the Declaration of Independence, and the makers of our constitutional law. Under article I, section 8, clause 5, of the Federal Constitution the power to issue money and regulate the value thereof is vested in Congress. The power to issue money and regulate the value thereof includes the vital economic power to control the welfare and destinies of the people.

Thomas Jefferson, the great commoner, said:

I believe that banking institutions—

Speaking of private banks of issue—

are more dangerous to our liberties than our standing armies in time of peace. The issuing power should be taken from them.

And Andrew Jackson said:

If Congress has the right under the Constitution to issue paper money, it was given to be used by themselves not to be delegated to individuals or corporations.

And because of the violation of article 1, section 8, clause 5, in Congress surrendering the power over money and because of the disregard of the warnings and admonitions of Thomas Jefferson and Andrew Jackson, we are suffering today an economic panic, writhing in want, destitution, and distress in the midst of plenty and great abundance.

But there is another power, under article 1, section 7, clause 1, of the Federal Constitution, vested not only in Congress, the legislative branch of the Federal Government, but vested exclusively in the House of Representatives, the exercise of the taxing power, the power to originate and initiate revenue legislation. But this is not all of the Constitution. This is only a part of the Constitution. The Federal Constitution further provides for the separation of jurisdiction and powers—the legislative, judicial, and executive—the same to be exercised in severalty and within the separate powers vested in each, to safeguard against tyranny and usurpation.

If clause 5, section 8, article I, of the Federal Constitution, vesting the power to issue money and regulate the value thereof in the Congress of the United States enjoins no positive or exclusive duty, and can be delegated and transferred by Congress indiscriminately at will to private, selfish corporate interests to take and exact from the people their earnings, income, substance, and property; and if clause 1, section 1, article I, of the Federal Constitution providing that all legislative power therein conferred shall be vested in a Congress, consisting of a Senate and House of Representatives, affirmatively excluding the executive and judiciary enjoins no restriction of powers; and if clause 1, section 7, article I, of the Federal Constitution, vesting in the lower branch of Congress, in the House of Representatives, the exclusive province and jurisdiction to originate and initiate revenue measures in the exercise of legislative power, does not vest the lower House with such exclusive jurisdiction.

If all these unequivocal provisions made a part of the Federal Constitution, conceiving in self-denial, fasting, and prayer, adopted on serious, deliberate consideration, proclaimed as the supreme law of the land to be obeyed and observed inviolate under solemn oath and affirmation; if all these provisions of the Constitution are held merely passive and permissive, and discretion and directory only, enjoin nothing and mean nothing, then the flag with its contrast of colors, then the waving Stars and Stripes unfurled to the freedom of the wind, the emblem of exact and equal justice, the symbol of liberty and equal rights, is a flaunting rag and means nothing, is a mockery, a delusion, to mislead men.

And it is urged here in support of this surrender that the people for whom our forefathers sacrificed time, fortune, and lives, and for whom the delegates to the Constitutional Convention prayed, plead, and long painfully labored to safeguard them against the usurpation of powers, that the people are demanding and insisting upon this delegation of power to the Executive, this surrender of constitutional power and in disregard of the terms of the Constitution. And it may be true as claimed that under the tortures of

this panic, in the third degree of want, suffering, and distress, the people are ready and willing to give up and sell their birthright of constitutional liberty for a mess of pottage of economic relief. It may be true that the people under the strain and torture of this panic and looking to the "fair God" of relief, like the Aztec Indians of Mexico in their welcome of the butcher, Cortez, may be willing to surrender up the check upon usurpation and subordinate liberty. But if this is true, as claimed, it only emphasizes our duty and obligations, as representatives acting for the people, to assume a greater duty and responsibility by reason of our greater opportunity and position to know and realize the dangers attending the withdrawal of constitutional safeguards.

It was taking advantage of the great emergencies of the times pending adjustment of the colonial debts that Alexander Hamilton, a reactionary financier, led George Washington, the hero of Yorktown, and the new Congress of the United States to make the first great surrender of the vested constitutional power over money to private individuals and bank corporations. It was taking advantage of the crisis of impending, threatening civil conflict that led the honest and patriotic James Buchanan, President, to harken and listen to the slave power until rebellion had gained a foothold, requiring billions in the Treasury and millions of human lives to suppress. It was taking advantage of the emergencies of the great Civil War, the pressing needs of the Public Treasury, that the special money interests of the times led President Lincoln, Chase, and Congress to surrender the constitutional power over money to private national bank corporations, and which Lincoln and Chase regretted to the day of their deaths.

It was taking advantage of the confusing reconstruction period that General Ulysses Grant, as honest in civil life and office as he was brave and fearless in war, was misled by Jay Gould and James Fiske to unwittingly participate in the Black Friday conspiracy, on November 27, 1868, alluring him into hiding while these kidnap outlaws and bandits held up the people of the country and robbed them of \$20,000,000 by locking the Treasury and cornering gold. It was taking advantage of the money panic of 1907, the great currency stringency of that day, brought about by the money interests themselves in a mad orgy of speculation and to corner credit that Congress was led and induced to make the error and take the fatal step resulting in a complete and total surrender of the power over money to the Federal Reserve Board now developed into a private banking octopus. And now following the same strategy of the men always proclaiming the inability of the people to rule, always challenging the principle of free self-government and taking advantage of their own wrongs, they are urging the surrender by Congress of the vested power to initiate public revenue and the provisions of the Constitution for the division and separation of powers.

Coming up from the dark ages of feudalism and serfdom under kings and royal rulers, for 200 years the people have been fighting, battling, winning their way over the ramparts of tyranny and despotic rule, in a glorious triumphal march to the vantage ground of free self-government, and to the plains of a higher and more exalted civilization. But today in every country of the world the people, writhing in the pains and tortures of depression brought on by money-mad misers and Shylocks, under the covered and concealed power of money, are left suffering in want, destitution, and despair. And selfish, ambitious rulers are rising to take advantage of the conditions and crisis to gain power, place, and position, which at other times would be resented and defied, and the human race is being led back from liberty and free representative government; and premiers under the crowns of Europe, and Presidents, Governors, mayors, and executives of the Nation, States, and municipalities, moved by the spirit of the times to claim and demand the exercise of greater power under the pretense or delusion necessary, and required to cope with the panic and depression. And the glorious march of liberty and self-rule has

come to a halt and retreat, and the people are being turned backward and to renounce their ideals of freedom and liberty and free government.

The delegation of legislative and judicial powers upon the executive branch of the Government is not only fundamentally wrong and in gross violation and disregard of every principle of free self-government and disorganizing the balance of governmental powers and a check or restraint upon usurpation, but is a policy casting unwarranted burdens and staggering obligations of office upon the executive branch of the Government commingling and confusing governmental functions disorganizing the even balance of powers. It is tearing down the framework of free institutions to eradicate the evils and abuses, otherwise to be remedied, and leaves Congress and the legislative branch without functions and obligations or responsibility for the course of legislation, and no longer answerable to a constituency upon their pledges made to the electorate.

This surrender and delegation of powers by Congress conferred upon the President of legislative and judicial functions to be exercised by the Executive violates every fundamental principle of democracy, rebukes the sacred tenants of Thomas Jefferson, compromises all that Andrew Jackson stood for, and makes free representative government a mockery, a delusion, and an empty claim, threatening not only for our form of government but the institutions of other people who have followed in our steps and example in safeguarding the rights of men if this bill is enacted into law. We are saying to the world our boasted rule of the people and free self-government is a farce and a mockery which we will not ourselves observe, and which we cast off with indifference whenever a test and trial of our governmental institutions comes.

Upon this one great basic rock, this Gibraltar in a tempest sea, they rested the foundations and pillars of the temple of human rights, to withstand the storms and assaults waged by greed for place and power. And then, when they had completed their castle of human hope and raised the Stars and Stripes to symbolize the blood of martyred patriots and the beacon light to follow, they committed to Congress, to the Members of the House and Senate, the treasure for safe keeping and to be held as sacred and inviolate not only for the security of their own power but to be preserved in vigorous form to safeguard the rights of the people of their own and generations to come. And this remains today the first duty, the one most supreme responsibility, the one most sacred obligation resting upon Congress, the House and Senate, upon the Membership of Congress, individually and collectively, a trust from which these Members cannot be absolved.

A study of the long tedious debates in the constitutional convention shows that the one subject or problem uppermost in the minds of the delegates was to safeguard and insure against the dangers of selfish human nature and the usurpation and abuse of power and, above all, the usurpation of power by the Executive. The object constantly in the minds of the delegates sitting in the constitutional convention was to make secure to the people what the soldiers had won and achieved in the sacrifice of blood, limb, and life, and at great cost of treasure to the Colonies, and to provide a restriction and check safeguarding against encroachments of power by the officer or officers of one department upon the functions or powers of another department. The provisions for which and around which all centered, were the division of powers and separation of jurisdictions to be observed inviolate in practice as well as theory, the legislative, judicial, and executive, and the stipulations for their separate exercise. And our forefathers impressed and realizing the flagrant abuse of the taxing power and to safeguard against such abuse provided that all tax and revenue measures must not only originate in Congress, but must originate in the lower House.

In the House of Representatives, where the Members remain nearest to the people, where Members must come up most frequently from the people, where the Members must be born again from the people, and to account to the

people every 2 years. The exercise of the great taxing power, is the power to take from the people, the power to go down into the people's pockets, the power to take a part or all of their money, the power to take a part of their property, earnings, and income, or if need be, the power to take all of their wages, income, and property. This power was purposely and deliberately withheld, the power to originate or initiate revenue legislation, from the upper House of the Congress, from the Senate elected every 6 years, and above all and over all from the Executive, elected every 4 years, whose power was to be especially checked and the exercise of which restricted and restrained.

The principle, first and uppermost in the minds of the constitutional delegates, was shown to be principle and policy of government, the division and separation of governmental powers and which is shown by James K. Pollock, University of Michigan, authority on civil government, in *Readings on American Government*, page 30:

In the convention which framed the Constitution of the United States, the first resolution adopted by that body was that a national government ought to be established, consisting of a supreme legislative, judiciary, and executive.

To the same effect above cited is stated by Finla Goff, Syracuse University, high authority upon civil government, in *Readings on American Government*, page 30:

In the State institutions the idea of the separation of powers found their clearest expression.

Massachusetts asserted that in the government of this Commonwealth the legislative department shall never exercise the executive and judicial powers, or either of them; the executive shall never exercise the legislative or judicial powers, or either of them; the judicial shall never exercise the legislative or executive powers, or either of them . . . to the end that it may be a government of laws and not of men.

The principle of the division and separation of powers was at the time of framing the Constitution as well as from and since that time has been looked to as a great safeguard of free institutions and self-governments, as shown by Rodney L. Mott, University of Chicago, recognized authority upon civil government in *Material Illustrative of American Government*, page 102:

The Constitution distributes the functions of government into three branches—the legislative, to make the laws; the executive, to execute them; and the judicial, to decide in cases arising before it the rights of the individual as between him and others and as between him and his government.

This division of government into three branches has always been regarded as a great security for the maintenance of free institutions, and the security is only firm and assured when the judicial branch is independent and impartial.

The division and separation of powers has long been held as a "check" to safeguard against the dangers of encroachments upon civil liberty and free institutions, as is stated by McLaughlin and Hart, of Harvard University, authorities consulted on civil government in *Cyclopedia of American Government*, page 295:

Separation of powers, governmental practice.

The theory of the separation of powers has a twofold significance in United States—one as a principle of governmental practice and one as a doctrine of constitutional law.

As a principle of governmental practice it provides that the exercise of the several political functions known as the executive, legislative, and judicial shall be vested, as far as practicably possible, in different agencies or persons, which agencies or persons shall be, in general, independent of one another.

The argument in justification of this principle has been that while thus endowing a government with adequate powers of control, the danger of oppression of the governed by those intrusted with this authority is minimized in that the cooperation of these independent departments is required for the purpose.

Thus the legislative body does not execute the laws which it enacts; the Executive but enforces the orders given by the legislative; and the courts limit their functions to the interpretation and application of existing laws and for the enforcement of their decrees, and are obliged to look to the executive arm of the Government.

As a principle of governmental practice, the doctrine is thus closely related to the system of "checks and balances" (see)—a system which finds elaborate application in the Federal constitutional system.

I again quote from the same authorities and publication, page 31, by Finla Goff Crawford, on *Readings in American*

Government, to the effect that the fundamental principles of the division and separation of powers is the same as other methods resorted to to keep the grant of powers near to and safely within the control of the people:

In addition to the separation of powers another method used for the purpose of keeping in check the Government was for the grant of power for a short term only.

To guarantee security it was thought that power must be kept close to its true basis, the people. In this way the rise of arbitrary rulers could be prevented and the officers intrusted with power be made responsible to the people.

As John Adams once said, "Where annual elections end, there tyranny begins."

Everywhere there was manifested great jealousy of the State executive, and numerous restrictions were thrown around his tenure, term, and prerogatives.

And again quoting from Pollock, University of Michigan, to show the principle of the division and separation of power was made a distinguishing feature of the Constitution and recognized as a first and fundamental principle by the great jurist Story and commentator Kent, page 29:

The principle of checks and balances embodied in the National Constitution is explained here by Joseph Story, who was a member of the United States Supreme Court for 34 years.

The recognition of this principle is one of the distinguishing features of the American Constitution.

Story wrote these commentaries, as he said in a letter to Kent, "with a sincere desire to commend, and to recommend the Constitution upon true, old, and elevated principles."

In absolute governments the whole executive, legislative, and judicial powers are, at least in their final result, exclusively confined to a single individual; and such a form of government is denominated a despotism, as the whole sovereignty of the State is vested in him.

And to show that the separation of powers was a principle of vital and supreme importance and was made of special mention and prominence in the structure of the Federal Constitution and in no event to be compromised and deviated from. The same, next above authority is here quoted, page 30-31, Pollock, of Michigan University:

It has by many been deemed a maxim of vital importance that these powers should forever be kept separate and distinct.

At the time the Constitution was framed the separation of powers was declared fundamental and in no event to be deviated from or compromised in any manner whatsoever.

And further quoting from the same author at page 31:

In the constitution of Massachusetts, for example, it is declared that "in the government of this Commonwealth the legislative department shall never exercise the legislative and judicial powers, or either of them; the judicial shall never exercise the legislative and executive powers, or either of them; to the end it may be a government of laws and not of men."

But we do not have to wait to realize our apprehensions for the abuse of the surrendered power. The evils of the surrender of legislative power to be exercised by the Executive is already here at hand. Congress called to convene in special session soon after the inauguration last March to consider farm and industrial relief, upon full hearing and deliberation, found that the panic was caused by a failure of the buying and consuming power resulting from a fall of values and the price level. And on May 12, 1933, Congress enacted the currency provisions of the Relief Act, delegating certain powers upon the Executive providing for the restoration of the money supply, the object being to raise values and the price level, restore earnings and income to industry, and thereby the buying and consuming power. Accepting the provisions and grant of power, the President declared for the revaluation of gold, one of the alternative currency measures provided to replenish the depleted money supply, and finally, after 8 months, entered upon the administration of the gold-revaluation plan or program by taking the first or preliminary step.

But in the nature of the proceedings it was impossible for the President himself to assume in a personal or individual way the administrations of the measure declared for and which of necessity were left to subordinates, and with the inevitable result that the administration of the gold revaluation plan has come to a halt, standstill, and inertia, and Congress having surrendered its power to proceed upon its own initiative directly as authorized by the Constitution,

is now waiting impatiently and in suspense and groping for other and new measures under which to proceed directly to raise commodity values and the price level, bring a return of earnings and income to industry and a restoration of the buying and consuming power.

But the policy of delegating and conferring powers, with which Congress should assume and stand charged, has not only failed to hasten farm relief, but the policy has been taken advantage of to work gross injustice upon the soldiers and to charge the President with the evils of the system which the President did not himself frame or establish and the abuse of which he is not responsible. And Congress realizing the error of surrendering its vested constitutional power to be exercised by the executive, has revolted in disapproval of the rules and regulations formulated, a purely legislative function enjoined on Congress, under the administration of the Economy Act, and is recovering back the surrendered power. In less than 3 months' time, under the administration of the Economy Act, the legislation was called for modification, and in less than 1 year from its enactment the whole power delegated and conferred has been challenged for recovery back for direct exercise by Congress itself by a surprising two-thirds vote.

Under trial of this delegation of power to the President it was found a mental and physical impossibility for any President or any one man to give direction or personal attention to the details of pension adjustments imposed upon the President under the Economy Act. It is plain to be realized and understood now that such powers conferred upon the President could only be exercised and administered indirectly by intrusting the same to subordinates, it being impossible for any one man in a personal way to give direct, personal consideration to individual pension claims. The President under the Economy Act was left hopelessly burdened and charged with the exercise of legislative, judicial, and executive powers which he could not direct, supervise, or control, but for the administration of the details of which he must stand charged and accountable before the country.

Our forefathers, throwing off the yoke of old despotic rule, set up and established a new form of government and demonstrated the ability of men to govern themselves. And to perpetuate these new forms of self-rule and determination and to safeguard against the encroachments of selfish human nature and a repetition of the tyrannies of old, they wrote out, agreed upon, and adopted a certain instrument in writing, which they ordained and established as supreme, declaring the basis and principles of the institutions which they had created, and which they called "the Constitution."

And, yielding to the irresistible force and power of our example of right and justice before the world, monarchies gave way to republics, kingdoms to free institutions, and harsh despotic rule to more humane forms of government, leading all Central and South America to renounce their kings and royal rulers, leading France and Switzerland to establish more free institutions, and liberalizing every government in Europe for the greater recognition of the rights of men.

The one first fundamental safeguard upon which all was based and founded and around which all others clustered was the absolute division and separation of governmental jurisdictions and powers, the judicial, legislative, and executive. Realizing the constant menace to human rights and that eternal vigilance is the price of liberty, they forbid, by solemn imperative enactment, to be observed as sacred and inviolate as constitutional and fundamental law, that the powers vested in the one branch of the Government should never be held or exercised by the officials of another branch of the Government; that the Executive power held by the President should never be exercised by the legislative, Congress, nor by the judiciary, the courts; and that the powers vested in the judiciary and legislative branches, in the courts, Congress, and the legislative, should never be exercised by the Executive; all prohibited as fraught with greatest danger.

For over 100 years Congress has stood guard at the door and portal of the Constitution in jealous care to watch over

the division and separation of governmental powers and to enforce the constitutional injunction against the exercise of prohibitive powers. And when Congress received the message from the President of the United States with his report of the state of the Union and his recommendation for legislation as prescribed and limited by the Constitution, his powers were exhausted and at an end. And in vindication of the Constitution and the sacred trust reposed in Congress to preserve inviolate the separation of the powers and to safeguard against prohibited powers and the prohibition of the exercise of powers, Congress has said, thus far and no further, shall the executive branch of the Government participate in or assume the functions of the House, the Senate, or the courts; thus far and no further shall the Executive assume the jurisdiction of the judiciary, of the power of the legislative branch of the Government.

When Cortez, the cruel Spanish conquerer, landed upon the shores of Mexico in 1600, the Aztec Indians of the country, following legend and firm religious belief, were holding festivals to welcome the return of their saviour, Quetzacoastl, the fair god. And the cruel, heartless, Spanish butcher, taking advantage of the religious belief and posing as the object of their devotion and assuming the character of the fair god, was welcomed with open arms and rejoicing as a savior to restore peace and happiness of the land only to restrain and imprison the king, to burden and enslave the people, to tear down their altars and temples of worship and to pillage and ransack the palace of its gold and priceless treasures.

But today, writhing in the throes of a great industrial panic or depression, struggling in the relentless grasp of money changers, suffering want, destitution, in despair, and told that all is a mystery. Congress and the people of the country confused in want and suffering in the midst of plenty and great abundance and looking for the fair god of prosperity to come in some mysterious form. And in this evil hour of their distress the money changers, the grasping misers and Shylocks, who brought this panic upon the country, and who have held and perpetuated its blight upon the people during all these long years, are now leading the Executive to demand and Congress to give up and surrender its powers and jurisdiction vested under the cherished Constitution.

And the misers, Shylocks, and money changers, the modern vandals of finance, are entering to despoil and break down the sacred covenant guarded in the Constitution to safeguard against selfish human nature, and which our forefathers urged and insisted, above all other obligations to be observed, should be preserved unimpaired and inviolate to withhold from the executive branch the exercise of judicial and legislative powers, and from the legislative and judicial branches the exercise of executive power, withheld and prohibited to them.

And with the breaking down of the barriers not only thrown up by the form of our own constitutional government but by the forms of governments of other people inspired by our example the money-mad misers and grasping Shylocks, the international financiers and manipulating bankers, are leading premiers, presidents, and governors to renounce the limitation of powers upon them and to claim assent and assume the exercise of judicial and legislative functions as well as the administration of executive power. And the world we lead by our beacon light and the world we inspired by our example to follow in the forms of our Constitution is reacting to throw off the safeguards of constitutional free self-government and to turn to arbitrary rule to gain relief from an unseen foe; and under the ruins of free self-government to reinstate the kings dethroned, to reestablish autocratic rule over constitutional and limited powers, and retrace the advanced step taken in the progress of free institutions.

Mr. O'MALLEY. Mr. Chairman, on the previous section I offered an amendment. I did not get time to discuss it because of the haste which the committee seems to want on this bill. It provides that no foreign-trade agreement concluded pursuant to this act shall contain any pro-

vision permitting, directly or indirectly, the shipment into the United States of any article manufactured or produced by a foreign subsidiary of a company organized under the laws of any State of the United States.

I am again offering that amendment to this section, in the hope the House will adopt it before passing the bill. Since 1929, \$5,000,000,000 of American money has gone across the ocean to build factories to compete with our factories. More than 2,000,000 men have been put out of work by the American manufacturers transferring their factories to other countries. I do not want to see a reciprocal trade agreement made by anybody, including the President of the United States, that will take care of the cheap labor of other countries and replace our men here at home and still allow these deserting American industrialists to bring in goods manufactured by them abroad to come into competition with our loyal industries that stay in this country despite difficult times.

I think my amendment ought to be adopted. It will not harm the bill, but it will make it impossible for Great Britain or any other country to make conditions in reciprocal agreements that her employees in American factories and the products of the employees of those factories shall be included in the trade agreement with this country to the harm of our industries who have refused to be lured abroad.

Mr. Chairman, I ask unanimous consent that my amendment may be again reported for information.

The CHAIRMAN. Without objection, it is so ordered.

The Clerk again reported the O'Malley amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. BAKEWELL].

The question was taken, and the amendment was rejected.

Mr. WHITE. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 4, after line 16, add a new section, to read as follows:

"SEC. 3. No provision of this act shall operate to restrict the product or the manufacture of sugar within the continental United States."

Mr. COOPER of Tennessee. Mr. Chairman, that amendment in substance has already been submitted to the Committee and voted on. We have passed the point in the bill where it would be applicable.

Mr. WHITE. Mr. Chairman, I offer it as a new section.

The CHAIRMAN. This amendment is different from the one voted upon, referred to by the gentleman from Tennessee [Mr. COOPER]. The Chair overrules the point of order and recognizes the gentleman from Idaho for 2 minutes.

Mr. WHITE. Mr. Chairman, in 1917 neither Secretary Wallace nor anyone else would have said that the production of sugar in the United States was an inefficient industry. I distinctly remember that it was against the law, it was a crime for a man to own more than one sack of sugar. In case some world coalition might shut off our imports of foreign sugar, we might again see the time when we needed sugar produced in this country for the manufacture of munitions and to supply domestic consumption. For that reason I think we should not restrict the production and manufacture of sugar in the United States.

I wonder if Mr. Wallace has ever traversed the sugar-raising districts of Louisiana, and seen the huge investment in sugar plants and equipment for the handling of sugarcane and the manufacture of sugar. I wonder if he has traveled the railroads of the West and seen the extensive investment for the handling of sugar beets. I wonder if he knows anything of the huge investments in sugar plants in our western country. We ought not to be put in the hands of this big organization of capital, which controls the importation of sugar, but we should protect our own sugar industry. [Applause.]

The CHAIRMAN. The time of the gentleman from Idaho has expired. All time has expired. The question is on the amendment of the gentleman from Idaho [Mr. WHITE].

The amendment was rejected.

Mr. BAKEWELL. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BAKEWELL: At the end of the bill insert the following new section:

"SEC. 4. None of the provisions of this act, nor any foreign trade agreement concluded pursuant to this act, shall apply to any articles which are the growth, produce, or manufacture of any foreign country or nation which has by law or official edict destroyed, restricted, or diminished the citizenship rights or property rights of any of its nationals because of his or her race or religious faith or creed."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Connecticut.

The amendment was rejected.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to; accordingly the Committee rose, and the Speaker having resumed the chair, Mr. PARSONS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H.R. 8687, to amend the Tariff Act of 1930, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill as amended do pass.

Mr. DOUGHTON. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. TREADWAY. Mr. Speaker, I offer the following motion to recommit.

The Clerk read as follows:

Mr. TREADWAY moves to recommit H.R. 8687 to the Committee on Ways and Means.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. TREADWAY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 274, nays 111, not voting 47, as follows:

[Roll No. 117]
YEAS—274

Abernethy	Caldwell	Cummings	Foulkes
Adair	Cannon, Mo.	Darden	Frey
Adams	Cannon, Wis.	Dear	Fuller
Arens	Carden, Ky.	Deen	Fulmer
Arnold	Carmichael	Delaney	Gambrill
Auf der Heide	Carpenter, Kans.	DeRouen	Gavagan
Ayers, Mont.	Cartwright	Dickinson	Gillespie
Ayres, Kans.	Cary	Dickstein	Gillette
Bailey	Castellow	Dies	Glover
Beiter	Celler	Dingell	Goldsborough
Biermann	Chapman	Dobbins	Granfield
Black	Chavez	Dockweiler	Green
Bland	Church	Doughton	Greenway
Blanton	Claiborne	Douglass	Greenwood
Bloom	Clark, N.C.	Doxey	Gregory
Boland	Cochran, Mo.	Drewry	Griffin
Boylan	Coffin	Driver	Griswold
Brennan	Colden	Duncan, Mo.	Haines
Brooks	Cole	Dunn	Hamilton
Brown, Ga.	Collins, Miss.	Durgan, Ind.	Hancock, N.C.
Brown, Ky.	Colmer	Edmiston	Harlan
Browning	Condon	Elcher	Hart
Bruaner	Cooper, Tenn.	Ellenbogen	Harter
Buchanan	Cravens	Faddis	Hastings
Buck	Crosby	Farley	Healey
Bulwinkle	Cross, Tex.	Fiesinger	Henney
Burch	Crosser, Ohio	Fitzgibbons	Hildebrandt
Burke, Nebr.	Crowe	Fitzpatrick	Hill, Knute
Busby	Crump	Fletcher	Hill, Samuel B.
Byrns	Cullen	Ford	Hoepfel

Hoidale	Lloyd	Peavey	Sumners, Tex.
Howard	Lozier	Peterson	Sutphin
Huddleston	Ludlow	Pettengill	Swank
Hughes	McCarthy	Peyser	Sweeney
Imhoff	McClintic	Pierce	Tarver
Jacobsen	McCormack	Prall	Taylor, Colo.
Jeffers	McDuffie	Ramsay	Terry, Ark.
Jenckes, Ind.	McFarlane	Ramspeck	Thom
Johnson, Minn.	McGrath	Randolph	Thomason
Johnson, Okla.	McKeown	Rankin	Thompson, Ill.
Johnson, Tex.	McMillan	Rayburn	Thompson, Tex.
Johnson, W. Va.	McReynolds	Reilly	Truax
Jones	McSwain	Richardson	Turner
Kee	Maloney, La.	Robertson	Vinson, Ga.
Keller	Mansfield	Robinson	Vinson, Ky.
Kelly, Ill.	Marland	Rogers, N.H.	Wailgren
Kennedy, Md.	Martin, Colo.	Rogers, Okla.	Walter
Kennedy, N.Y.	Martin, Oreg.	Romjue	Warren
Kenney	May	Rudd	Wearin
Kerr	Mead	Ruffin	Weaver
Kleberg	Meeks	Sabath	Weideman
Kloeb	Miller	Sanders	Welch
Kniffin	Milligan	Sandlin	Werner
Kocialkowski	Mitchell	Schaefer	West, Ohio
Kopplemann	Monaghan, Mont.	Schuetz	West, Tex.
Kramer	Morehead	Sears	White
Kvale	Murdock	Shallenberger	Whittington
Lambeth	Musselwhite	Sirovich	Wilcox
Lamneck	Nesbit	Sisson	Willford
Lanham	O'Connell	Smith, Va.	Williams
Lanzetta	O'Connor	Smith, Wash.	Wilson
Larrabee	O'Malley	Smith, W. Va.	Wood, Ga.
Lee, Calif.	Oliver, N.Y.	Snyder	Wood, Mo.
Lee, Mo.	Owen	Somers, N.Y.	Woodrum
Lehr	Palmisano	Spence	Young
Lesinski	Parker	Strong, Tex.	Zioncheck
Lewis, Colo.	Parks	Stubbs	The Speaker
Lewis, Md.	Parsons	Studley	
Lindsay	Patman	Sullivan	

NAYS—111

Andrew, Mass.	Dondero	Kelly, Pa.	Rich
Andrews, N.Y.	Doutrich	Kinzer	Rogers, Mass.
Bacon	Dowell	Knutson	Scrugham
Bakewell	Duffey	Kurtz	Secrest
Beck	Eaton	Lambertson	Seger
Beedy	Edmonds	Lemke	Simpson
Blanchard	Eltse, Calif.	Luce	Sinclair
Boileau	Englebright	Lundeen	Snell
Bolton	Evans	McFadden	Swick
Britten	Fish	McGugin	Taber
Brown, Mich.	Focht	McLean	Taylor, Tenn.
Burke, Calif.	Foss	McLeod	Thomas
Burnham	Frear	Maloney, Conn.	Thurston
Carpenter, Nebr.	Gifford	Mapes	Tinkham
Carter, Calif.	Gilchrist	Marshall	Tobey
Carter, Wyo.	Goodwin	Martin, Mass.	Traeger
Cavicchia	Goss	Merritt	Treadway
Christianson	Gray	Millard	Turpin
Clarke, N.Y.	Guyer	Montet	Wadsworth
Cochran, Pa.	Hancock, N.Y.	Moran	Waldron
Collins, Calif.	Hartley	Mott	Whitley
Connery	Hess	Moynihan, Ill.	Wigglesworth
Connolly	Hollister	Muldowney	Withrow
Cooper, Ohio	Holmes	Plumley	Wolcott
Culkin	Hope	Powers	Wolfenden
Darrow	James	Ransley	Wolverton
Dirksen	Jenkins, Ohio	Reece	Woodruff
Ditter	Kahn	Reed, N.Y.	

NOT VOTING—47

Allen	Corning	Lehlbach	Shannon
Allgood	Cox	Montague	Shoemaker
Bacharach	Crowther	Norton	Stalker
Bankhead	De Priest	O'Brien	Stegall
Beam	Disney	Oliver, Ala.	Stokes
Berlin	Eagle	Perkins	Strong, Pa.
Boehne	Elzey, Miss.	Polk	Taylor, S.C.
Brumm	Fernandez	Pou	Terrell, Tex.
Buckbee	Flannagan	Reid, Ill.	Umstead
Cady	Gasque	Richards	Underwood
Carley, N.Y.	Higgins	Sadowski	Utterback
Chase	Hill, Ala.	Schulte	

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. RAINEY, and he answered "aye."

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Boehne (for) with Mr. Crowther (against).
 Mr. Bankhead (for) with Mr. Reid of Illinois (against).
 Mr. Corning (for) with Mr. Brumm (against).
 Mr. Disney (for) with Mr. Buckbee (against).
 Mr. Montague (for) with Mr. Bacharach (against).
 Mr. O'Brien (for) with Mr. De Priest (against).
 Mr. Hill of Alabama (for) with Mr. Chase (against).
 Mr. Pou (for) with Mr. Strong of Pennsylvania (against).
 Mr. Allgood (for) with Mr. Higgins (against).
 Mr. Cox (for) with Mr. Stalker (against).
 Mr. Elzey of Mississippi (for) with Mr. Lehlbach (against).
 Mr. Oliver of Alabama (for) with Mr. Stokes (against).
 Mr. Beam (for) with Mr. Perkins (against).

General pairs:

Mr. Steagall with Mr. Richards.
 Mr. Berlin with Mr. Schulte.
 Mr. Polk with Mr. Cady.
 Mr. Terrell of Texas with Mr. Utterback.
 Mr. Umstead with Mr. Sadowski.
 Mr. Carley of New York with Mr. Shoemaker.
 Mr. Taylor of South Carolina with Mr. Shannon.
 Mr. Underwood with Mrs. Norton.
 Mr. Eagle with Mr. Fernandez.
 Mr. Gasque with Mr. Flannagan.

Mr. KENNEY. Mr. Speaker, how am I recorded?

The CLERK. The gentleman voted "no."

Mr. KENNEY. I desire to vote "aye."

The SPEAKER. The gentleman votes "yea."

The result of the vote was announced as above recorded.

On motion by Mr. DOUGHTON, a motion to reconsider the vote by which the bill was passed was laid on the table.

INDEPENDENT OFFICES APPROPRIATION BILL—PASSAGE OVER THE VETO

Mr. TABER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to insert a short table.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. TABER]?

There was no objection.

Mr. TABER. Mr. Speaker, in view of the statement in the President's veto message of the independent offices appropriation bill that by the passage of the bill over the veto \$228,000,000 was added to his Budget expenditures, I thought the House and the country would be interested in an exact statement of what the situation is.

I find these increases over the Budget recommendations of the President:

1. 5-percent pay increase February 1, 1934-July 1, 1934	\$27,000,000
2. 5-percent pay increase July 1, 1934-June 30, 1935	63,000,000
3. Pre-Spanish-War pensions	4,000,000
4. Amendment 15, navy yards, arsenals, etc.	9,000,000
5. Amendment 19, automatic promotions	10,000,000
6. Spanish War pensions	37,400,000
7. Direct service connected, World War	30,000,000
8. Presumptives, World War	9,312,500
9. To carry veterans benefits Apr. 1, 1934-June 30, 1934	20,000,000

209,712,500

From this must be deducted the cost of the Spanish War pensions and the presumptives under the President's regulations of Mar. 27, 1934

60,000,000

149,712,500

From this must also be deducted the savings which will be made because of the passage of the bill over veto¹

100,000,000

Net cost

49,712,500

It must be borne in mind that the President by bad regulations—this was admitted by the President in his veto message—has practically wrecked the Economy Act.

First. The Board of Appeals, to which he refers, it is well known, is refusing to function.

Second. Thousands upon thousands of Spanish War veterans have been thrown in the discard without anyone in the Bureau even looking over their files to see whether or not they suffered a disability in service.

Third. The payments to veterans suffering from direct service-connected disabilities were cut 10 percent—\$30,000,000—or an average of 25-30 percent.

This was not in the mind of even the most hard-boiled economy leaguer.

In view of the language in the veto message and the immediate placing back on the rolls of the World War presumptives and the Spanish War veterans by him, it must be assumed that the President's principal objection to the bill was because it carried the \$30,000,000 for restoring the direct service-connected veterans to their benefits.

With that the Congress could not agree.

¹ This saving results from the extension of certain temporary provisions of the Economy Act, which would have expired June 30, 1934, if this bill had not extended them. No other bill providing for economies would have had a chance of consideration if this bill had failed of passage over the veto.

This is also in direct conflict with the pledge given by the President to the Legion in his address last October.

There are still \$250,000,000 of savings as a result of the passage of the Economy Act.

If Congress had not taken the bit in its teeth and passed the bill over the President's veto at a very small net cost to the taxpayer, the President by bad administration and bad regulations would have completely destroyed the remaining \$250,000,000 of annual savings we made last spring.

The moral is: Delegation of authority by Congress to the President invariably turns out disastrously.

VETERANS' LEGISLATION

Mr. COCHRAN of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the independent offices appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Speaker, it seems to me this is an opportune time to prepare a brief analysis of just what resulted in the way of additional benefits to veterans by reason of the passage of the independent offices appropriation bill, which carried the new legislation as well as the annual appropriations for the Veterans' Administration.

Veterans all over the country whose pensions were discontinued by the Executive order last March seek information so they can determine if their case is affected.

The pensions and compensation reinstated under the new law will be resumed as of March 29, 1934. No veteran will receive any payment until after May 1, because pensions are not paid in advance.

The new law does not make provisions for the payment of back pension or back compensation.

Nothing in the new law affects the World War veterans who were drawing disability allowance prior to March 1933. Compensation or pensions cannot be paid to World War veterans whose disabilities have not been held to be the result of their service unless it is shown that the veteran is permanently and totally disabled. In such cases it is also necessary to show that the veteran entered the service prior to November 11, 1918. If permanently and totally disabled and in need, \$30 a month is allowed under the President's regulations.

The Spanish War veteran who enlisted in the service after August 12, 1898, and who did not participate in the Boxer rebellion or Philippine insurrection is not recognized under the new law. Although it is held that the War with Spain ended August 11, 1898, the final evacuation of the island of Cuba by the United States troops was not completed until February 5, 1904, and island of Puerto Rico May 12, 1904. The men that served outside the limits of the United States in a climate unlike their own many of whom suffered disabilities as a result cannot be considered under the new law, even though they were drawing pensions in March 1933. They are permanently removed from the roll as are their widows unless they have been recognized as having received their disabilities in line of duty. If their disabilities are held to be service connected, then they will be transferred to the roll under the general law, the rates being less than those recognized under the Spanish War Act.

I have been informed by Gen. Frank T. Hines, Administrator of Veterans' Affairs, that the Veterans' Administration is taking immediate action to make the new veterans' provisions effective in all respects as soon as possible.

Primary consideration is being given to those persons who were removed from the rolls by reason of the provisions of the Economy Act of March 20, 1933, whose rights to benefits are reestablished by the new law. In all cases where it is possible to restore pension or compensation without the necessity of an administrative review, such action is being taken. Immediate attention is also being given to those groups of cases wherein a review of evidence is required before a determination may be made under the new legislation in order that an adjudication may be accomplished

with the least possible delay to the veterans and their dependents.

It is estimated by General Hines that approximately 330,000 World War veterans, 180,600 Spanish War veterans, and 34,900 dependents of Spanish War veterans will be affected by this legislation. Briefly, the following is what the Congress has done:

Section 26 of the new law reinstates the former compensation rates for totally blind World War veterans except where the veteran is being furnished hospital care by the Government and except as to cases involving fraud, mistake, or misrepresentation.

Section 27 provides for the payment of compensation to those persons who on March 19, 1933, had established service connection under section 200 of the World War Veterans' Act, 1924, as amended, and reenacts the provisions of that section as to such cases, except where the person entered the service subsequent to November 11, 1918, where clear and unmistakable evidence discloses that the disease, injury, or disability had inception before or after the period of service, unless there was aggravation, or where the prior service connection had been established by fraud, clear or unmistakable error, or misrepresentation; but, as to all cases embraced by these three exceptions, all reasonable doubt is to be resolved in favor of the veteran and the burden of proof is to be upon the Government. The payment is to be at 75 percent of the amount payable in such cases on March 19, 1933.

Section 28 provides for the restoration of the World War rates in effect on March 19, 1933, for service-connected disability, except that reduction is permitted in accordance with regulations pertaining to payment of pension to men in hospitals. It perpetuates the rating schedule in effect on March 19, 1933, under which ratings are based as far as practicable upon the average impairment of earning capacity in civil occupations similar to the occupation of the veteran at time of enlistment. It further provides for service connection in death cases for the widows and children of those veterans who died prior to the enactment of the new act, and who, if living, would be in a position to reestablish service connection thereunder.

The limitations as to receipt of pension and salary by Government employees and as to the 50-percent reduction of benefits while any person entitled thereto resides outside the continental limits of the United States are not for application in these cases.

Section 29 amends section 6 of the Economy Act of March 20, 1933, as amended, by adding a proviso authorizing hospitalization or domiciliary care within the limitations existing in Veterans' Administration facilities of any veteran of any war not dishonorably discharged who is suffering from disability, disease, or defect, and who is in need of hospitalization or domiciliary care and is unable to defray the necessary expense therefor, including transportation to and from the institution. It provides that the statement under oath of the applicant as to his inability to pay for the service sought shall be accepted as sufficient.

Section 30 provides as to those veterans of the Spanish-American War, who entered service on or before August 12, 1898, and persons who served in the Boxer rebellion or Philippine insurrection, who were on the rolls March 19, 1933, receiving pension for disability or age by virtue of the new law are entitled to receive not less than 75 percent of the pension being paid them on March 19, 1933, subject to the limitation requiring exemption from Federal income tax and as to Federal employees, the limitation that not more than \$6 per month can be paid such employees, if his salary, if single, exceeds \$1,000, or, if married, \$2,500. The provisions pertaining to payment of pension to men in hospitals as established under Public No. 2, and the veterans' regulations are applicable to these cases. The benefits of this amendment do not extend to disabilities resulting from willful misconduct. The limitation as to the 50-percent reduction of benefits while any person entitled thereto resides outside the continental limits of the United States is not for application in these cases. The new law does not reinstate the

pensions of remarried widows. While this section applies only to the veteran it is expected the Veterans' Administration will rule the widow whose deceased husband would be entitled to pension if alive will receive her old pension less 25 percent.

Section 31 reestablishes the provisions of section 213 of the World War Veterans' Act, whereby a person who is injured as a result of training, hospitalization, or medical or surgical treatment or examination is awarded compensation on the same basis as if the condition were incurred in the military or naval service. The application must be made within 2 years after the injury or aggravation or death or after the passage of the act, whichever is the later date.

Section 32 repeals the last sentence of section 9 of the Economy Act, which barred persons in receipt of benefits from participating in any determination or decision with respect to claims for benefits.

Section 33 changes the title of payments to be made in service-connected cases of World War veterans from "pension" to "compensation."

Section 34 provides that payments shall be effective from date of passage of the act.

Section 35 provides for the payment of those insurance claims which have been determined to be payable prior to but in which payment had not commenced on March 19, 1933.

THE BILL PROVIDING FOR RECIPROCAL TRADE AGREEMENTS WILL STIMULATE OUR FOREIGN TRADE AND SPEED NATIONAL RECOVERY

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, I want to discuss the bill giving the President power to enter into commercial agreements with foreign nations, in order to expand the market for products of the United States, "to overcome domestic unemployment and the present economic depression, and to increase the purchasing power of the American public."

THE TREMENDOUS DECLINE IN WORLD TRADE HAS BEEN ONE OF THE CHIEF CAUSES OF A WORLD-WIDE ECONOMIC DEPRESSION

During the last few years the United States and the world have been experiencing an unheard-of economic depression due to the tremendous shrinkage of world trade. In 1933, as compared with 1929, world trade declined 70 percent in volume and 35 percent as measured in dollars. In 1929 the trade of the world, measured by total imports, amounted to \$35,606,000,000 as against \$11,937,000,000 in 1933. That means that from 1929 to 1933 world trade shrunk from a total of thirty-five and one half billion dollars to one third, or a total of about \$12,000,000,000.

If world trade from 1929 had advanced at the usual proportion, it would have amounted to about \$50,000,000,000 in 1933, as against an actual trade of only \$12,000,000,000.

IN 4 YEARS INTERNATIONAL TRADE WAS REDUCED BY \$40,000,000,000

You will notice that from 1929 to 1933 international trade has been reduced by \$40,000,000,000. That means that world production has been reduced by \$40,000,000,000. It also means that world consumption has been reduced by \$40,000,000,000. The reduction of production and consumption, of course, means the lowering of the standard of living all over the world; and if you consider the colossal reduction of \$40,000,000,000 every year in international world trade, you will understand how greatly the standard of living of most of the people has been lowered not only in the United States but all over the world.

THE UNITED STATES HAS LOST VAST SUMS THROUGH THE DECLINE OF ITS EXPORTS AND IMPORTS

Now, we cannot have better times unless we have more production, more consumption, more exports, and a higher standard of living.

Let us look at the trade of the United States. From 1925 to 1929 the total export trade of the United States increased from a little less, to a little more, than \$5,000,000,000. Its import trade, during the same years, hovered between \$4,000,000,000 and \$4,400,000,000. There has been a co-

lossal shrinkage in that trade. Whereas the exports of the United States in 1929 were \$5,240,000,000, the exports in 1933 amounted to only \$1,000,675,000. The imports into the United States in 1929 amounted to \$4,399,000,000; they fell in 1933 to \$1,499,000,000.

Not only has the total foreign trade of the United States been reduced to an incredibly low figure, but the share of the United States in international trade has been considerably reduced. From 1929 to 1932 the American share of the export trade of the world decreased from 15.61 percent to 12.39 percent; in imports the American share decreased from 12.19 percent in 1929 to 9.58 percent in 1932.

Not only has the foreign trade of the United States been tremendously decreased, but America today has a much smaller proportion of the foreign trade than it previously enjoyed. The American share has been decreased, whereas the share of England, Belgium, France, and other countries has increased.

ECONOMIC EFFECTS OF THE DECLINE OF OUR FOREIGN TRADE

This is an alarming situation. The decrease of our foreign trade means the discharge of thousands and thousands of industrial workers in Pittsburgh, and all over the United States. It means unemployment, and the misery and suffering that go with it. In the words of the President, contained in a message which he sent to the Congress on March 2, 1934:

This has meant idle hands, still machines, ships tied to their docks, despairing farm households, and hungry industrial families. It has made infinitely more difficult the planning for economic readjustment in which the Government is now engaged.

Other countries have been able to gain a larger proportion of the foreign trade which they formerly had by entering into mutual trade agreements with other nations. So far the United States has been unable to do so because foreign-trade agreements could not be negotiated by the President without being subject to long and cumbersome delay in obtaining approval in the United States Senate—a delay which often lasted for years.

THE NEED FOR SPEED IN NEGOTIATING RECIPROCAL TRADE AGREEMENTS

You cannot make trade agreements unless you can conclude these agreements with reasonable speed. The machinery of obtaining a fair share of the international trade is by mutual or reciprocal agreement, as the President said in his message to Congress:

Other governments are to an ever-increasing extent winning their share of international trade by negotiated reciprocal trade agreements. The American Government must be in a position to bargain for that place with other governments by rapid and decisive negotiations based upon a carefully considered program.

If the American Government is not in a position to make fair offers for fair opportunities, its trade will be superseded. If it is not in a position at a given moment rapidly to alter the terms on which it is willing to deal with other countries, it cannot adequately protect its trade against discriminations and against bargains injurious to its interests.

In most countries in Europe, and all over the world, the executive has the power to negotiate such trade agreements.

POWERS GRANTED THE PRESIDENT BY THIS BILL

The bill considered by the House of Representatives provides that the President of the United States shall have the following powers:

First. To enter into foreign-trade agreements with foreign governments.

Second. To modify duties and import restrictions.

Here the President's power is limited. Under the bill he cannot increase duties or decrease them by not more than 50 percent of the existing rate of duty. He cannot declare that any article that now must pay a duty shall come in free of duty, nor does he have the power to place a duty on goods at the present time duty-free.

The purpose of the entire bill is to give to the President power to negotiate trade agreements with other nations. The President is given the power to grant certain concessions to products of foreign nations, provided that the foreign country in question will admit certain products manufactured in the United States. The President is to have limited powers over our exports and imports, so that our

industry may be stimulated and our agricultural surplus disposed of.

A very important amendment to the bill was offered by the Ways and Means Committee, and was adopted by the House. The amendment provides that the President shall have these powers for a period of only 3 years from the passage of this act.

The committee also adopted an amendment that under no consideration could we enter into a trade agreement which in any way canceled or reduced foreign debts.

PRESIDENT ROOSEVELT WILL EXERCISE THE POWERS GRANTED HIM UNDER THIS BILL WITH PRUDENCE AND WISDOM

I believe that the American people have full trust in Franklin D. Roosevelt. They know that he will enter only into such trade agreements as will be of benefit to this Nation. The people of the United States overwhelmingly elected Mr. Roosevelt President of the United States. He has since proved that he is deserving of that confidence. We can certainly rest assured that in any negotiations and trade agreements he is guided by the interest of the industries and commerce of the United States, and by the benefit of our country as a whole.

In this connection I want to quote again the message sent by President Roosevelt to the House of Representatives:

The exercise of the authority which I propose must be carefully weighed in the light of the latest information so as to give assurance that no sound and important American interest will be injuriously disturbed. The adjustment of our foreign-trade relations must rest on the premise of undertaking to benefit, and not to injure, such interests. In a time of difficulty and unemployment such as this the highest consideration of the position of the different branches of American production is required.

The power granted to the President by this act is in line with precedents established since 1794. The President of the United States is given powers to modify to some extent the laws relating to duties and imports into the United States. This act carries out a policy which has been followed by the United States in many instances in the past.

EXPLANATION OF VOTE

Mr. STUDLEY. Mr. Speaker, I ask unanimous consent to proceed for one half minute to make a statement.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. STUDLEY]?

There was no objection.

Mr. STUDLEY. Mr. Speaker, on last Saturday, March 24, I was called to Wheeling, W. Va., to attend the funeral of a member of my family. I was not able to return to the House on Tuesday the 27th to vote on the independent offices appropriation bill. Had I been present, I would have voted "aye."

SELECT COMMITTEE TO INVESTIGATE STATEMENTS WITH REFERENCE TO GOVERNMENT OFFICIALS AND EMPLOYEES

Mr. O'CONNOR, from the Committee on Rules, submitted the following privileged report (Rept. No. 1105) on House Resolution 317:

House Resolution 317

Resolved, That there is hereby created a select committee to be composed of five Members of the House, to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the manner in which the original appointment was made.

Sec. 2. The committee is authorized and directed to summon Dr. William A. Wirt, of Gary, Ind., before it, and to require him to reveal the source of statements he has made to the effect that the United States is in the process "of a deliberately planned revolution", and to the effect that certain officials or employees of the Government are attempting to thwart the program of national recovery in the United States; and the committee is authorized and directed to bring before it all officials or other persons alleged by Dr. Wirt to have given him said information, or to be connected in any way with said activities, and to examine them as to the truth or falsity of the statements made by Dr. Wirt; and to summon and examine such other witnesses and make such further investigation in connection with such statements and the reasons and persons actuating the same as the committee in its discretion may deem advisable.

Sec. 3. The committee shall report to the House during the present session of Congress the results of its investigation, together with such recommendations, including such recommendations for legislation, as it deems advisable.

SEC. 4. For the purposes of this resolution the committee is authorized to sit and act during the present session of Congress in the District of Columbia as a whole or by subcommittee, at such times, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, by subpoena or otherwise, to take such testimony, to have such printing and binding done, and to make such expenditures not in excess of amounts made available for the purposes of this resolution, as it deems necessary. Subpoenas shall be issued under the signature of the chairman and shall be served by any person designated by him. The chairman of the committee, or any member thereof, may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee, or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102 of the Revised Statutes of the United States.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution, House Resolution 317.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. O'CONNOR]?

There was no objection.

The Clerk read the resolution.

Mr. O'CONNOR. Mr. Speaker, the gentleman from Pennsylvania made an agreement as to the time to be used on this resolution. We on this side are anxious to dispose of this matter as speedily as possible, due to the lateness of the hour and due to the fact that I understand we are to adjourn over until Monday. We are willing to take very little time. I should like to ask if the other side will be content with 10 minutes?

Mr. RANSLEY. I have already claimed time on this side, and, owing to the verbal agreement between the gentleman and myself, I have promised that time.

Mr. O'CONNOR. There is no question but that the gentleman is entitled to 30 minutes, if he desires it. I yield 30 minutes to the gentleman from Pennsylvania.

Mr. Speaker, I yield 10 minutes to the gentleman from North Carolina [Mr. BULWINKLE].

Mr. BULWINKLE. Mr. Speaker, this is but a simple resolution needing very little explanation, but it might interest the Members of the House to know how this came up.

Last Friday before the Committee on Interstate and Foreign Commerce a gentleman by the name of Rand appeared and in the course of his remarks he made the statement that there were men in Washington in the Government employment who intended to "crack down" on business. I immediately called him and asked him who they were, and from that it led on until he read into the record what he called a letter from Dr. Wirt, in Indiana, but which, in fact, was not a letter but some kind of a manuscript sent out evidently to a certain organization of some description. In that purported manuscript of Dr. Wirt, among the statements made were some like this, that he, Dr. Wirt, in talking with some of the so-called "brain trusters" who were employed by the Federal Government in Washington, had told him that for certain ulterior motives they would attempt to thwart recovery; that they would prolong and have starvation, and do everything, according to Dr. Wirt's statement, detrimental not only to the Government of the United States but to the people as well. I immediately asked for the names of those men. Mr. Rand could not give them. He stated that he assumed who they were. He said he had telephoned that morning to Dr. Wirt. I said, "Do you mean, after having a serious charge like this in your possession, that you never had curiosity enough to find out who those men were?" He said he assumed who they were.

In justice to the administration, I know that every Member on both sides of this aisle would like to know if there is anyone employed by the Federal Government so degraded in character and mentality who would make statements of the kind read by Rand. If, on the other hand, the statements made by Dr. Wirt are not true, then in justice to the hundreds of Federal employees it should be known.

I introduced this resolution primarily for the purpose of bringing him here and making him put up or shut up, one

or the other. I am not in the habit of being taken off my feet and going after mythical and imaginary things.

When any man claiming to be a patriotic citizen of this Republic, representing a great organization, comes before a committee of Congress and makes serious charges against any of the governmental employees, I care not who he is or they are or to what party they belong, then I think that the Congress of the United States should know it. That is the primary purpose of this resolution—to find out the truth or falsity of these statements.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. BULWINKLE. Certainly.

Mr. SNELL. As far as I know there is no opposition to the resolution in itself. The only question in my mind is whether the resolution as drawn is broad enough to cover the entire subject and will get the information the gentleman himself seeks.

Mr. BULWINKLE. I think it is for that purpose.

There seems to be a doubt in the gentleman's mind. How broad would the gentleman make it; how far does the gentleman think the House should go?

Mr. SNELL. I do not think there should be any limitation when you start an investigation of this character. If you are going into it I think you ought to go clear through. If it is of sufficient importance for Congress to authorize an investigation, I think you should have full power to investigate the whole subject in connection with these remarks.

Mr. BULWINKLE. I am trying to cover the whole subject. If there were any evidence of similar testimony given before another committee of Congress I would be in favor of investigating that too; but, as the gentleman from New York well knows, it would be impossible to go into all the wild remarks that may be going around.

Mr. SNELL. I admit that, and those have been investigated on previous occasions. Is the gentleman satisfied in his own mind that this resolution is sufficiently broad to cover anything that might grow out of the statements made by Wirt before this committee?

Mr. BULWINKLE. I think it is.

Mr. KVALE. Mr. Speaker, will the gentleman yield?

Mr. BULWINKLE. I yield.

Mr. KVALE. Granting that the resolution is broad enough to cover the particular statement in question, is the resolution broad enough also that the special committee may ascertain whether the gentleman is a man acting independently and therefore totally devoid of a sense of humor, or whether he is acting as a representative of the Steel Trust, which has a lobby here trying to kill a measure in which the administration is vitally interested, the securities bill? [Applause.]

Mr. BULWINKLE. I may say to the gentleman in justice to Dr. Wirt, because I believe in being fair, that in the rest of this manuscript—and I have read it, but it has not been published in the press—he very vigorously condemns the action of the exchanges. Therefore, I do not think it was sent out for that purpose; but it may have been by Mr. Rand's idea, just using part of it in the RECORD. In justice to Dr. Wirt, I think if the gentleman from Minnesota read the whole manuscript he would not feel that that was his object.

Mr. KVALE. I think it is very important that the investigation reach not only the individual who made the charge, but the charge itself.

Mr. BULWINKLE. Along this line, I think we would have authority under this resolution to recommend to the House that certain action be taken as indicated by the results of the investigation. I believe that any man who comes here representing an organization, an industry, or group of people, previous to appearing before a committee of Congress should be required to file with the Clerk of the House of Representatives a statement as to what organization he represents.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

Mr. BULWINKLE. I yield.

Mr. BRITTEN. Does the gentleman believe that his resolution is broad enough to call before this special committee such employees or members of the present administration

whose names have been suggested in various ways as undesirable?

Mr. BULWINKLE. No; I do not believe it is broad enough for that, but I think it is broad enough to reach the three, four, or five men who may be involved and to bring them in.

Mr. BRITTEN. That is what I want to know.

Mr. KVALE. Mr. Speaker, will the gentleman yield further?

Mr. BULWINKLE. Certainly.

Mr. KVALE. In view of the fact the President is supposed to have made the statement himself, is the resolution broad enough to bring him before the committee?

Mr. BULWINKLE. The President of the United States never said he would prolong starvation, nor can any unpatriotic or un-American statement ever be attributed to him. This resolution is what I am talking about; this is what I want. [Applause.]

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, let me say at the outset that for one I have never been able to get very much worked up over this resolution or over the statements alleged to have been made by Dr. Wirt. I am a member of the Committee on Interstate and Foreign Commerce and was present at the meeting and heard the remarks of James H. Rand, Jr., the chairman of the self-appointed committee for the Nation, but there was nothing new in the statements that he quoted as having been made by Dr. Wirt. Rumors to the same effect have been in circulation and have been discussed by the newspapers and magazines of the country for months. I do not know whether the "brain trust" is having a nightmare or a brain storm, such as Dr. Wirt and those who hold the same opinion as he does think it is, or whether Dr. Wirt and those who believe as he does are having one; but I am satisfied that whichever may be the case, that in due course the people of the country will take care of the situation. They will take care of it in their own way as soon as they become convinced upon the matter, and it will make little difference to them in arriving at a conclusion, whether a committee of this House makes an investigation such as this resolution proposes or not.

I do think that there are distributed throughout the executive and administrative branches of the Government at the present time too many persons without adequate practical or business training and experience for the duties which have been entrusted to them. They have not had sufficient training and experience to justify entrusting to them the settlement of the destinies of the people to any such extent as has been done. There are too many in the executive departments at present who think they know what is best for the people better than the people themselves do. They do not trust the people and their representatives to pass upon the laws to regulate and govern themselves and their business. Their attitude was well described in a speech which I heard a gentleman from Texas make the other day to the dairymen assembled here in Washington last week. He went on to say that he had been milking cows for 25 years and that he thought he knew something about milking cows, but he went down to the Agricultural Department and talked with the A.A.A. authorities there. He protested against some of the codes or some of the provisions of the codes that had been promulgated to govern the dairy industry. He was told in substance that he did not know what he was talking about. He said they told him something like this: "You think you know how to milk cows. You think you know what is best for the dairy industry, but you are all wrong. You think you know what is best, but we know."

I fear that is the attitude of too many people who are now in key positions throughout the Government, but it did not take the charges of Dr. Wirt to bring that situation to the attention either of Members of Congress or of the country. It was well known before anyone ever heard of Dr. Wirt.

I am neither a proponent nor an opponent of this resolution, although I shall vote for it. I may say, however, that I think that if any investigation is going to be made at all it should be a thorough one. There ought to be no attempt to gloss over the situation or to whitewash any one in connection with it. Unless it is complete it will be worse than useless and unsatisfactory to the country. It has to go further than an examination of Dr. Wirt and the individuals named by him. These rumors that have been going over the country, and especially in Washington, must be traced down, and every witness should be called before the committee who can give information about them, whether he is known to Dr. Wirt or not. The special committee should bear in mind that Dr. Wirt is not the subject matter of the investigation. Neither his personality nor his motive in making these charges is of any great significance or materially. Are the charges true? is the important question. As was stated in the first sentence of an editorial of the New York Herald Tribune this morning:

The efforts to smear Dr. Wirt and to whitewash the "brain trust" should not be permitted to distract attention from the basic charges in Dr. Wirt's letter.

Mr. MAY. Will the gentleman yield?

Mr. MAPES. I yield to the gentleman from Kentucky.

Mr. MAY. Does the gentleman from Michigan mean to say that there are efforts being made to whitewash somebody in the administration merely on the statement of Dr. Wirt?

Mr. MAPES. Oh, no. I am not saying anything of that kind. I am saying that the committee should be careful not to convey the impression that any such thing is being attempted.

It should be clearly understood that this is not a partisan matter. Every step that has been taken in the matter has been taken at the instigation and upon the initiative of some Member of the dominant political party in the House. It was a distinguished Democratic member of the Committee on Interstate and Foreign Commerce who took the initiative, and who, as I understand it, asked the chairman of the committee to bring before the committee Mr. Rand. It was Mr. Rand's statement that brought forth these charges of Dr. Wirt. The distinguished gentleman from North Carolina, Major BULWINKLE, a Democrat, introduced the resolution for this investigation. The Democratic Rules Committee reported the resolution to the House. The rest of us have simply gone along as interested observers and, as I say, speaking for myself only, I am not excited about the matter. I shall vote for the resolution, but I am in no sense a special advocate of it.

I yield back the balance of my time.

Mr. O'CONNOR. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. FOULKES].

Mr. FOULKES. Mr. Speaker, my district in southwestern Michigan goes to the Indiana line, and Dr. Wirt is well known to the residents of my district. I have had some correspondence with this gentleman and I shall read a short statement for the benefit of the House.

Dr. Wirt has expressed great indignation at my assertion that he is either a Hitler agent or accidentally playing into the hands of those engaged in Nazi propaganda in this country. There is no occasion for him to get excited. I said before, and I repeat now, that if Dr. Wirt is not an agent of Hitlerism in America he is unconsciously serving it as well as any paid tool could serve it. My statement was a reasonable one and must appeal to all serious-thinking people. It is quite possible that Dr. Wirt does not intend to aid Hitlerism and does not realize he is doing so, but the net results are the same. Whether I touch off dynamite accidentally or with deliberate intent the result is identical. One gets his fingers burned playing with fire whether he knows what he is doing or not.

Let me also repeat my charge of the other day that Nazi propagandists, informers, and organizers are swarming throughout the country and seeking to poison people's minds preparatory to an attempt to set up a dictatorship not of the proletariat and the plain people but of the plutocracy.

That is our real danger. That is the menace that confronts us—not the much-talked-of "Red" menace. Great aggregations of wealth, alarmed at moderately liberal changes put into effect by the Roosevelt administration, would welcome a dictatorship after the Nazi or Fascist type, and they have spread propaganda in every nook and corner of these United States glorifying the dictator of the Mussolini and Hitler type. All of this is part and parcel of a vicious conspiracy. Wall Street is the Nation's real menace. Wall Street, disturbed because the forgotten man is receiving a little more attention than formerly and has been helped a little—only a very little yet, however—is planning the revolution that we need fear and guard against. It is a reactionary revolution, not a labor or social revolt, that big business wants.

These venomous assaults on the N.R.A. and the Roosevelt administration are made, sometimes, by those who want to set up a rule of blood and iron in the interests of capitalists, and sometimes by notoriety seekers and idiots who do not know any better. Whether Dr. Wirt is in one class or the other does not matter. His procedure is just the kind calculated to help the forces of greed, avarice, and exploitation that are mapping out their plot. It is exactly what Hitler's agents also want.

Let us not fool ourselves about the extent to which the Government must go. The little that has so far been done for the producing class of this country is but a drop in the bucket compared with what must eventually be done. Instead of whining and whimpering about the terrible socialistic and communistic tendencies of the new deal, let us face the basic fact that fearful poverty and suffering still exist throughout our land—even if some mild steps have been taken to reduce them. Let us also recognize that they must be abolished. A government that does not protect its citizens from legalized robbery and that does not guarantee them the elementary needs of human beings—food, shelter, raiment, medical care when sick, and an income when old and exhausted—does not deserve to stand. Any government to endure must provide these things.

Our business here ought to be to speed up the process of feeding, clothing, sheltering, and caring for our suffering and agonizing millions—not wasting our time in high-sounding dissertations about the Constitution and fine-spun technicalities. I tell you, gentlemen, the people do not care a damn about theories of strict construction and interpretation of the Constitution when they have not enough to eat. They want food, and they will not wait forever.

The gentleman from New York, Mr. HAMILTON FISH, moans about radical tendencies and progressives in the Government service. After his laughable affair of discovering cabbages and carrots in a Baltimore warehouse where he thought the Communists had hidden bombs, he ought to have learned a bit of sense—but I fear he has not.

May I say to him we are going to get more radical tendencies and more radical legislation, instead of less? I have a suspicion that the time is not far distant when the Government must take over the industries and run them, ending exploitation by private interests. If so, this will mean more liberty—not less. The liberty of the whole Nation, to be safe from starvation, is considerably more important than the liberty of a few men to coin profits out of the sweat, blood, and tears of the many.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. FOULKES. May I say further that I received a telegram from Dr. Wirt this afternoon in which he named a person high in the administration who made certain significant statements. I know something about Dr. Wirt personally. He is a kindly man, but, in my judgment, he has been misled. At the proper time and at the proper place before the committee I will produce the name which was furnished to me by Dr. Wirt.

Mr. CANNON of Wisconsin. Will the gentleman yield?

Mr. FOULKES. I yield to the gentleman from Wisconsin.

Mr. CANNON of Wisconsin. The gentleman, I understand, is acquainted with Dr. Wirt. Would the gentleman mind telling us who Dr. Wirt is that he should be dignified by an investigation?

Mr. FOULKES. Other than that he is at the head of the school system in Gary, Ind., which, as the gentleman knows, is a city named after one of the greatest exploiters of labor in this country, I have nothing more to say on that subject. [Laughter and applause.]

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 8 minutes to the gentleman from New York [Mr. FISH].

Mr. COLLINS of Mississippi. Mr. Speaker, I think we need a quorum here, and I make the point of no quorum.

The SPEAKER. The Chair will count.

Mr. COLLINS of Mississippi. Mr. Speaker, in view of the fact the Democratic leader tells me certain promises have been made, I withdraw the point of order.

Mr. FISH. Mr. Speaker, I do not rise to defend Dr. Wirt. I do not know Dr. Wirt except by general reputation. People who do know him tell me he has a very high reputation, not only in his community and in his State, but throughout the Nation, and I assume that when he comes here he will speak for himself. It is not necessary for any of us on either side to speak for Dr. Wirt, for, as an educator and as a superintendent of schools at Gary, Ind., for many years, he has become well known in connection with the Gary school system.

I believe in the fullest freedom of speech. I believe in the fullest freedom of speech for Dr. Wirt as an American citizen, for any Member of Congress, or for any Socialist who desires to change our system of government. There is nothing in our Constitution or in our form of government that denies the right of Socialists to the fullest freedom of speech and to advocate their reforms under our republican form of government and under the Constitution. What I object to is the fact that after the Democratic Party was elected on a well-considered and sound Democratic platform [laughter and applause] since ignored or thrown out of the window, nevertheless it was overwhelmingly elected upon such a platform; but after President Roosevelt once got into power he put into key positions in the administration men who are at heart Socialists if not actual Socialists. It is well to remember that the Socialists take all their principles and doctrines from Karl Marx just as the Communists do. This is what Karl Marx had to say in his "manifesto":

We make war against all the prevailing ideals of the state, of country, and of patriotism.

The following is an extract from a speech by Samuel Gompers, head of the American Federation of Labor for many years:

I want to tell you Socialists that I have studied your philosophy, read your works upon economics—and not the meanest of them—studied your standard works, both in English and German. Have not only read but studied them. I have heard your orators and watched the work of your movement the world over. I have kept close watch upon your doctrines for 30 years; have been closely associated with many of you and know how you think and what you propose. * * * Economically, you are unsound, socially you are wrong, industrially you are an impossibility.

Mr. SIROVICH. Will the gentleman yield for a question?

Mr. FISH. I yield to the gentleman from New York.

Mr. SIROVICH. Would the gentleman be kind enough to name the Socialists who have been put into such key positions?

Mr. FISH. I certainly will.

Mr. SIROVICH. Name them.

Mr. FISH. I say they are Socialists at heart. They may belong to the Republican Party, they may belong to the Democratic Party [laughter], but, Mr. Speaker, I can prove that they are Socialists at heart, if they do not actually belong to that party. I am convinced that, with the exception of a possible few misguided individuals, that 99 percent of the members of the American Civil Liberties Union are left-wing radicals or virtual Socialists.

Mr. KENNEY. Will the gentleman yield?

Mr. FISH. I have not the time to yield further.

During an investigation by a committee of this House held in 1931, and after a very careful investigation in Los Angeles, Chicago, New York, and here in Washington, of the American Civil Liberties Union, a report was submitted signed by 2 Democrats and 2 Republicans which concurred, first, in the findings of the New York State Legislature back in 1928, which said:

The American Civil Liberties Union in the last analysis is a supporter of all subversive movements; its propaganda is detrimental to the interests of the state. It attempts not only to protect crime but to encourage attacks upon our institutions in every form.

This committee of the House of Representatives, in a report, as I say, signed by 2 Democrats and 2 Republicans, has this to say about the American Civil Liberties Union:

The American Civil Liberties Union is closely affiliated with the Communist movement in the United States and fully 90 percent of its efforts are on behalf of Communists who have come into conflict with law. It claims to stand for free speech, free press, and free assembly, but it is quite apparent that the main function of the American Civil Liberties Union is to attempt to protect the Communists in their advocacy of force and violence to overthrow the Government, replacing the American flag by a red flag, and erecting a soviet government in the place of the republican form of government guaranteed to each State by the Federal Constitution. Roger N. Baldwin, its guiding spirit, makes no attempt to hide his friendship for the Communists and their principles. He was formerly a member of the I.W.W. and served a term in prison as a draft dodger during the war—

And so forth.

There is another entire page of this report devoted to the American Civil Liberties Union, but due to the limited time I cannot further discuss it.

I am convinced that any member of this organization, which is limited in number, no matter what party emblem he may go by, is at heart a Socialist, and I propose to show there are at least 16 members of this organization—and, of course, there are more, because I have had only a limited time to investigate the situation—holding important positions in the Government service at the present time. This list does not include a large number of young radical experts and socialistic lawyers who are promoting one Socialist experiment after the other under the auspices of the Democratic administration. For instance, it is not a coincidence that members of this particular organization, the American Civil Liberties Union, hold the most important key positions in the Government service; that is, in the emergency-relief administrations. In the A.A.A. the chief counsel is Jerome N. Frank, a member of the American Civil Liberties Union. Is that merely a coincidence, or that there are numerous left-wing radicals in that section of the Agricultural Department? Socialism was not voted into power, but it is being thrust upon the American people under the banner of the Democratic Party. If the people back home wanted socialism they would have elected Norman Thomas.

However, democracy seems to have gone socialistic on its own account and apparently is intent on rushing headlong into state socialism. As a former follower of Theodore Roosevelt, I want to quote his definition of socialism. "Socialism is not a continuation of democracy. It must be a new culture built upon ideas and institutions totally different from the institutions of democracy." And on page 106 of his book *Foes of Our Own Household*, he says:

One of the main vices of socialism is that it is blind to everything except the merely material side of life. It is not only indifferent but at bottom hostile to the intellectual, the religious, the domestic, and moral life; it is a form of communism with no moral foundation but essentially based on the immediate annihilation of personal ownership or capital and in the near future the annihilation of the family, and ultimately the annihilation of civilization.

The chief counsel of the N.R.A. is Donald Richberg, who is also a member of the American Civil Liberties Union. Is that likewise merely a coincidence?

Henry T. Hunt, the general counsel for the P.W.A., is another member of the American Civil Liberties Union. Can it be just a coincidence that all three of these highly important legal positions are held by prominent and active members of the American Civil Liberties Union?

Now, the gentleman from New York asked me to name all of them, and I will.

Mr. SIROVICH. Has the gentleman the preamble in which it favors the freedom of the press and free speech?

Mr. FISH. I am in favor of the freedom of the press and free speech which principles are worthy of an organization that stands for our republican form of government, guaranteed by the Constitution, and for the ideals of Washington, Jefferson, Lincoln, and Theodore Roosevelt, instead of an organization whose main work is to uphold the Communists in spreading revolutionary propaganda and inciting revolutionary activities to undermine our American institutions and overthrow our Federal Government. (Here are the names of these socialistic people, and they are neither Democrats nor Republicans but as members of the American Civil Liberties Union, a subverse organization, it is very easy to classify them and know exactly where they stand and what they stand for. The American people are entitled to this information in order to know what the "brain trust" is composed of and what its members are trying to do to them and to our country and its constitutional and representative form of government: Rexford Guy Tugwell, Assistant Secretary of Agriculture; Rose Schneiderman, Labor Advisory Board, N.R.A.; Frederick C. Howe, Consumers' Advisory Board, N.R.A.; Prof. Albert E. Taussig, N.R.A.; Prof. J. P. Worbosse, N.R.A.; Clarence Darrow, N.R.A.; Dr. Leo Wolman, Chairman Labor Advisory Board, N.R.A.; Prof. Paul H. Douglas, Consumers' Advisory Board; Prof. James M. Landis, Federal Trade Commissioner; Nathan R. Margold, Solicitor, Interior Department; Robert Marshall, Director of Forestry Division, Bureau of Indian Affairs; William E. Dodd, Ambassador to Germany; Sidney Hillman, Labor Advisory Board.)

Mr. Speaker, I ask unanimous consent to insert these names and those I have not read in the Record.

The SPEAKER. Without objection, it is so ordered.

Mr. FISH. That is all the list I can furnish you at the present time of the members of the American Civil Liberties Union holding high public offices at Washington. That they are trying to bring about a planned revolution must be apparent to all fair-minded people. That the revolution is peaceful makes no difference. There is no room for socialism, class hatred, and regimentation in America. These men do not represent the Democratic Party, and certainly they do not represent the Republican Party. [Applause.]

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 7 minutes to the gentleman from Kansas [Mr. McGugin].

Mr. McGUGIN. Mr. Speaker, when the Wirt letter was first presented, the gentleman from North Carolina presented a resolution for investigation, and that resolution provided for a wider investigation than this second one now presented, which is in the nature of a gag resolution.

The first Bulwinkle resolution was a reasonably fair resolution. It made the issues of the investigation broad enough so that it was at least a reasonable effort to hold a full and honest investigation.

This second resolution is a "cover up."

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. McGUGIN. I cannot yield; my time is so limited.

It is a cowardly effort to smother the issues presented by the Dr. Wirt letter. This letter of Dr. Wirt does not present a mere personality. It presents the broad issue of whether or not there are those connected with the administration who are committed to philosophies of government wholly contrary to the Republic under the Constitution. This second Bulwinkle resolution is so narrow in the issues which may be investigated that it is apparent upon its face that the leadership have not the hardihood to ignore the issues presented by Dr. Wirt but do not have the courage to permit a full effort to lay before the people of the country the true facts so that they may know whether or not the Wirt charges are true or untrue. This second resolution does injustice alike to the President, the administration, and the people.

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. MCGUGIN. No; I cannot yield. The gentleman may answer in his own time.

Mr. SIROVICH. Mr. Speaker, I do not think the language used by the gentleman from Kansas is quite parliamentary and I make the point of order that the language is not parliamentary to a Member of this House who in good faith introduced the resolution.

The SPEAKER. The gentleman will proceed in order.

Mr. MCGUGIN. The recently published letter which I received from Mr. Higgins, of Chattanooga, Tenn., contains statements, the utterances of which by press reports have been substantiated by Raymond Moley, former Assistant Secretary of State, and by George Christians. Mr. Higgins, Mr. Christians, and Mr. Moley have stated that Christians' statements were made in the presence of Marvin McIntyre, Secretary to the President. In common justice to the President and to the people, Moley, McIntyre, Christians, and Higgins, under oath, should be made to give the true facts to the people of this country pertaining to these statements by Mr. Christians. Yet, under this second resolution, the committee would be powerless to consider it.

Dr. Wirt has called upon other people of this country, who, he says, know exactly what he knows, to come to the front and give their information. Yet, under this second resolution, they would be barred from doing so. The limiting of this investigation to the Wirt statement and people whom Wirt may mention is so obviously an attempt to smother the facts that any schoolboy will understand that the sponsors of this second resolution are presenting it not because they want to bring out the truth but because they politically fear to ignore the Wirt statement, but have not the political courage to permit a full investigation of the truth, whatever it may be.

In perfect keeping with the issues presented in the Wirt letter, here are some of the things which should be considered:

First. It has appeared in newspaper articles and spoken from a multitude of tongues that the present Attorney General writes opinions as to the constitutionality of proposed legislation, which opinions are not based upon precedents and decisions of the Supreme Court, but, rather, on the desires of those who are writing such legislation. If such conduct on the part of the Attorney General be the truth, then the conduct is reprehensible and a perversion of the Constitution. If it be not the truth, then public confidence in government is being wrongfully shattered. Justice to government and to the people demands that these statements be proved or disproved.

Second. Bills have been sent to Congress from the White House with requests that they be enacted immediately. Congress and the country have believed that such bills were in fact either written or at least fully understood by the President; yet in instance after instance it is being reported that the President has not so much as read these bills. Only a few days ago Paul Mallon, in a syndicated news article, made the statement that the President had never read either one of the securities bills.

When the President signed the present gold devaluation bill, which created a \$2,000,000,000 fund for the Secretary of the Treasury to use as he sees fit, the Associated Press reported that when the President signed the bill he turned to Secretary Morgenthau and said in substance: "Now that I have signed it, is it all right? I have not read it." The Secretary of the Treasury is reported to have answered: "I have not read it either, but the experts say that it is all right."

We all know that some of this legislation was not read by the House of Representatives. Some of it was passed without even being in print. It was passed upon the belief that it was fully understood by the President and it was passed upon his statement that the emergency demanded that it be enacted immediately.

Now, if legislation has been passed which neither the Congress nor the President had any hand in shaping, then

the people have the right to know who has been writing this legislation. They should know whether or not such legislation has been written by men whose philosophy of government is in keeping with the Constitution or by men whose philosophy of government is entirely foreign to the Republic under the Constitution.

If public confidence is to be retained in government then any such newspaper articles and public talk must be either clearly established as slander and falsehood or the truth as the case may prove to be.

A smothered hearing which is provided by the second Bulwinkle resolution will not establish the truth. It will only create more public distrust and in the public mind most likely give undue credence to loose talk. Such a smothered hearing will likely place the stamp of truth upon slander and innuendo. Such a result will be a wrong alike against the people and the Government and those connected with the Government. Those who will be responsible for this are those who do not now have the courage to provide for a full, complete, and orderly consideration of the issues presented by the Wirt letter.

Yet there is nothing left for the average Member to do except to vote for this resolution or not vote at all, because the Rules Committee has refused to bring in a resolution which is broad enough to permit a hearing on the full charges presented.

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS. Mr. Speaker, judging from the remarks made by the gentleman from Kansas [Mr. MCGUGIN], I am constrained to say that I feel the gentleman probably has not read the resolution pending before the House. I am not going to undertake to reply to his innuendo or insinuations as to the President and his familiarity with the legislation which he has recommended to the House, nor to his insinuation and innuendo as to the Secretary of the Treasury with reference to his familiarity with matters of legislation pertaining to his Department. Neither am I going to reply to the statements made by the gentleman from Kansas, who speaks with all that assurance with which we are so familiar, with reference to the ignorance of his own colleagues on matters pending before the House. The gentleman, I am sure, does not include himself in that class.

What does this resolution propose? Dr. Wirt appeared before a committee of this House through a statement read by a Mr. Rand, of the city of New York, who was discussing some bill pending before that committee, and made the charge that there are officials of this Government who are deliberately attempting to thwart the measures of reform and recovery proposed by the President of the United States, with the hope that they could continue the destitution which has prevailed in many parts of this country for the last 3 or 4 years and thus bring about a revolution or a change in the form of our Government. That is all that is important in this statement, and that is what this resolution proposes to investigate. If there is any official, whether high or low, who has entertained those sentiments, or who, as an official of this Government, is seeking to bring about that condition of affairs, then it is time that the administration and the Congress and the country should know his name.

If it should be disclosed that there is such an official—and I do not believe there is one—it is clear that he has no place in the employ of the Federal Government. Somebody said a moment ago that we were seeking to dignify Dr. Wirt. That is incorrect. This is not a proposition to appoint a committee to summon witnesses and put them on oath to testify as to whether or not, in their opinion, the plan and the policies of the administration have been efficacious or for the benefit of the country. Those are matters that can be discussed by Members upon the floor and by other persons upon the stump and the platform and through the newspapers. What we are seeking to do is simply to summon Dr. Wirt before a special committee and put him under oath and ask him what officials have been carrying on this sort of propaganda.

I say to my friend from Kansas that if he had read this resolution carefully and compared it with the original reso-

lution introduced by the gentleman from North Carolina [Mr. BULWINKLE] he would have found that this resolution is broader in its scope, because it undertakes to direct the committee to bring before it all officials or other persons alleged by Dr. Wirt to have given him this information: "or to be connected in any way with said activity." In addition to that it provides:

And to summon and examine such other witnesses and make such further investigation in connection with such statements and the reasons and persons actuating the same as the committee in its discretion may deem advisable.

How much broader could this resolution be made? Talk about its being cowardly! A Democratic Congress, a Democratic committee, I say to the gentleman, has proposed this investigation to find those persons if they exist in this administration who are acting treasonably toward our Government.

There is no disposition to cover up anything. On the contrary we want brought to the attention of the public and the country those persons who are guilty of that sort of conduct. We want to bring them into the open so that they can be dealt with as the law provides, and also dealt with by the administration as seems necessary and proper under the circumstances.

Mr. O'CONNOR. Can the gentleman imagine a resolutions like this coming out of a Republican Committee on Rules if there were a Republican administration in Washington?

Mr. BYRNS. I never heard of any such resolution.

Mr. MAPES. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. MAPES. Just as a matter of interpretation of the language which was discussed somewhat in the Committee on Rules, I would like to ask the distinguished gentleman from Tennessee if it is his interpretation of the last clause of section 2 that this committee will be empowered under that clause to call anyone it sees fit to call, who may have information as to whether or not there are men answering the description of the charges made by Dr. Wirt in the Government service?

Mr. BYRNS. I do not think there is any question about it, because it distinctly says, "such other witnesses and make such further investigation in connection with such statements and the reasons and persons actuating the same as the committee in its discretion may deem advisable." I do not see how the resolution could possibly have been made broader in its scope.

Mr. MAPES. I am inclined to agree with the gentleman's interpretation of it.

[Here the gavel fell.]

Mr. KVALE. Will the gentleman yield the gentleman 1 additional minute in order that I may ask a question?

Mr. O'CONNOR. I yield the gentleman 1 additional minute.

Mr. KVALE. The committee is not going to start out on the assumption that those charges are true and are founded on sworn statements, rather than on perhaps jocular, light-hearted statements, humorous statements which have been bandied from mouth to mouth in Washington for months and which have ceased to be funny any longer. Is not the committee going to inquire into the truth or merit of the charges before they take up the charges as something serious and warranting the most careful investigation?

Mr. BYRNS. Undoubtedly. I take it that any committee that is appointed under this resolution will follow that course. I stated that, in my judgment, they would not be able to find any responsible person who had made any such statements, but if there is any person connected with this Government or elsewhere who has been making that kind of a statement, or who is guilty of that sort of conduct, they ought to be exposed.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. McFADDEN].

Mr. McFADDEN. Mr. Speaker, I am not interested in Dr. Wirt or Mr. Rand, or these other gentlemen who have

been mentioned. I am only interested in the subject of this controversy. There is much to convince us here that there is a situation existing here in the departments of Government like never existed heretofore, and that it is known to many Members of Congress. I appeared before the Committee on Rules this morning, where this resolution was up, because I felt this resolution was a narrow resolution and would not permit a thorough examination of this important subject. I still think that this resolution, if the committee that is appointed so desires, can narrow this examination strictly to Dr. Wirt and the men he may name. It would be a tremendous mistake if that were the case. I believe there are many people who have information on this subject, and some are Members of Congress. That was the reason why I asked the members of the Rules Committee this morning whether or not, under this resolution, it would be possible for Members of Congress who might want to submit information to this committee on this particular subject to be heard. As I understand it, I was given assurance that Members of Congress could appear with material information on this particular subject before the to be appointed committee.

Mr. O'CONNOR. Will the gentleman yield right there?

Mr. McFADDEN. I am sorry, but I do not have time.

Mr. O'CONNOR. I will yield the gentleman 1 additional minute just to correct the gentleman.

Mr. McFADDEN. I yield.

Mr. O'CONNOR. The gentleman asked me the question. What I said was this, that the gentleman knew from his long experience, that the committee could hear anybody the committee saw fit to hear; that naturally the whole world could not walk in before the committee. It was for the committee to decide, and I did not know what the committee would do; that the gentleman knew how to present his case to the committee. I gave the gentleman no assurance that a definite date was set for him to make a speech before the committee about the international bankers, or what not.

Mr. McFADDEN. I will say the gentleman did not have anything like that in mind. The gentleman was serious about this question, and we all know, who are familiar with what has been taking place at the special session and at this session of Congress, that there is in nearly all these Government departments, particularly the Department of Agriculture, State and Justice Departments, and also in the various alphabetical bureaus, a group of men who have theories of government which are contrary to constitutional government, and that they are in places of high position and authority, and they have had much to do with the drafting of legislation and in this drafting they have had outside assistance from persons of their type and who are consulted privately. Such legislation has been enacted as a result of such preparation by the so-called "brain trust" and their conferees; and frequently sent to this House with Presidential and department head approval, and jammed through under this kind of pressure by both Houses of Congress, with hardly an opportunity for the Members of Congress to read the bills, let alone properly discuss them.

So I say there are in this Government men who have theories of government which are contrary to our form of government, and it smacks a bit of a definite plan when you take into consideration the utterances of these men—and I mention specifically Secretary of Agriculture Wallace, and I mention Under Secretary of Agriculture Mr. Tugwell and there are several more whose voice in the press and whose activities in their particular departments, indicate that they are working toward a definite plan to establish in the United States a form of government other than constitutional government.

I cite in further proof of that, that the Secretary of Agriculture is putting out a series of syndicated articles one of which was recently published, "America Must Choose", which is copyrighted by the Foreign Policy Association. The Foreign Policy Association was organized by a group of men headed by Felix Frankfurter. Mr. Frankfurter is prominent in the activities of this particular liberal group

and is one of the chief advisers of the Bureau of the Budget, the N.R.A., and other departments where his keymen are located.

I am reliably informed that the Foreign Policy Association of New York is closely allied with similar movements in England, such as the Political Economic Plan, of which Felix Frankfurter is a very active member.

Those of you who will take particular time to examine into that plan will see beyond a question of doubt, I think, that these men who are known to us as Moley, Tugwell, Wallace, Bullitt, Frank, Landis, and Cohen are planning according to the line of the political economic plan now in operation under a secret organization in Great Britain; and it is, I may say to you, the corporate form of government, the guild form of government, similar to the form that has been set up in Italy, Russia, Austria, and just the opposite to parliamentary form of government, such as ours.

And may I say that those who are back of the political economic plan in England are driving to substitute their plan of government in England at the present time. And if they succeed, parliamentary government in Britain will pass out. There is much to indicate that this English group are in close working touch with the "brain trust" here.

Mr. O'CONNOR. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the adoption or rejection of the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 314

Resolved, That the expenses of the investigation by the select committee created by H.Res. 317, not to exceed \$500, including expenditures for the employment of clerical and stenographic assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof, and approved by the Committee on Accounts.

With the following committee amendment:

Sec. 2. That the official committee reporters shall serve said committee at its meetings in the District of Columbia.

Mr. SNELL. What is the amount provided by the resolution?

Mr. WARREN. Five hundred dollars.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The resolution was agreed to.

TO AMEND THE TARIFF ACT OF 1930

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. WHITE. Mr. Speaker, in considering the constructive legislation designed in this bill to place in the hands of the President the power to promote the general welfare by expanding foreign trade, I desire to include in my remarks the following editorial statement made by Mr. Don C. D. Moore, of the Northern Idaho News. Mr. Moore is one of the ablest editorial writers on national issues in the Northwest.

[From the Northern Idaho News]

WOULD FREE CHANNELS OF INTERNATIONAL TRADE

In the course of his recent appearance before the Ways and Means Committee of the House of Representatives Secretary of State Hull gave some very cogent reasons for the passage of the House resolution granting the President authority to negotiate tariff treaties with foreign nations, and to embody in such treaties changes in the tariff rates within the limitations of 50-percent increase or 50-percent reduction, with no articles to be taken from the free list and none to be added to it.

A few Republicans have been making pretensions that that grant of power is unprecedented. But such is not the case. Francis B. Sayre, Assistant Secretary of State, and a professor of law at Harvard, states that similar powers were exercised by President Adams, by President Jackson, by Polk, Lincoln, Johnson,

Grant, and Hays—altogether a rather impressive group sufficiently convincing that the proposal is not a novel thing in our governmental policy. And the Supreme Court has upheld such discretionary grants of authority.

Moreover, most foreign governments have invested in their cabinets authority of the same kind. The majority of the European countries, including Great Britain, and a fair proportion of the South American Republics are likewise in position to negotiate treaties on tariff rates and give assurances that they will be put into force.

The reason for the desire to exercise the authority lies in the fact that it will be an immense saver of time. Should the President proceed with treaty negotiations in the customary way, the treaties, after they have been negotiated would have to go to the Senate and they would repose there for Heaven knows how long, as deliberateness is one characteristic of senatorial procedure. Maybe there would be reservations or amendments that would require new negotiations. It would likely be between 1 and 2 years before the treaties could be put into effect, if at all.

Although at the time that Ogden L. Mills, former Secretary of the Treasury, delivered his notable Topeka address, the President had not formally requested the authority mentioned above, yet Mr. Mills gave, in different form, reasons of the same kind as Secretary Hull. For example, Mr. Mills' Topeka address contained the following:

"If we exclude cotton (exports of which were at the pre-war level), the volume of agricultural exports from this country in 1932-33 was but 64 percent of the pre-war volume. In 1932 we exported only 32,000,000 bushels of wheat as compared with an average of 110,000,000 during the 1909-1913 period, and 190,000,000 average during 1921-25.

"Wheat imports of France, Germany, and Italy fell from 232,000,000 bushels in 1928-29 to 47,000,000 in 1932-33.

"Exports of pork have fallen from an average of 309,000,000 pounds in the period 1910-14 to 111,000,000 in 1932-33, while exports of lard have fallen from an average of 722,000,000 pounds in the years 1926-30 to 560,000,000 in 1932-33.

"* * * Today, with the exception of cotton, all of our agricultural export products are suffering severely from foreign restrictions. * * * It is clear that we must produce less and we must sell more."

That, from one of the Republican leaders, could just as well have been uttered by one of the present administration, as it directly supports the proposal of the President and Secretary Hull and Secretary Peek.

Secretary Hull, in his statement to the Ways and Means Committee, points out that, if world trade had continued its increase at the same rate as it was increasing prior to the World War, the amount of the trade of the world at the present time would be \$50,000,000,000 annually instead of 25 percent of that amount. The policy of national isolation, which has produced high tariffs and trade restrictions, has brought a drop of 75 percent in the world's exchange of goods.

As Mr. Hull observes—

"The theory that to shut out international trade results in increase of the sum total of domestic trade is dispelled by all the facts and figures.

"In our domestic business situation the business index fell from 112.9 in 1929 to 63 in 1933, while our domestic or national income produced fell from \$83,037,000,000 to \$38,349,000,000 in 1933.

"Instead of increasing as our foreign trade decreased, our domestic trade decreased at a similar huge rate."

The theory, therefore, that by destroying our foreign trade we can increase our domestic trade has been exploded by actual test in the laboratory of experience. Perhaps the policy of destroying our foreign trade, in the expectation of benefiting domestic trade, might not have been so disastrous had economic conditions the world over not been so unfavorable. Yet at a time when we needed its benefits the most it failed the worst.

"NO ENTANGLING ALLIANCES!" THROUGH PARTICIPATION IN THE LEAGUE OF NATIONS

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BEITER. Mr. Speaker, I am glad to note that the Washington Times has for several weeks sponsored a movement against the participation in the League of Nations and World Court.

I now want to discuss for a while the problem of war, because it is one of the most vital and important problems the American people have to confront. Every mother in the country has to realize the meaning of war and knows that her flesh and blood may have to pay a sad price. She knows that when her boy answers the call and goes to war, somebody is going to make money out of that boy's life. Therein lies one of the most sordid and horrible aspects of this whole sad business of war. It is an outrage on humanity that men should be permitted to coin the human sacrifices of war into private profits.

No one claims that such profiteering is patriotic, or even decent. It is an outlaw. It stands condemned at the bar of an enlightened public opinion. Then why do we hesitate to adopt a policy that would prevent the United States participating in the League of Nations or in the World Court of the League of Nations, with or without reservations? Why do we hesitate to adopt a policy that would keep the United States "free from foreign entanglements"? Why do we hesitate to adopt a policy to keep our Government from meddling in foreign affairs, and to keep foreign nations from meddling in our American affairs?

I quote from Washington's Farewell Address:

"Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalry, interest, humor, or caprice?"

Mr. Speaker, the Covenant of the League of Nations represents no new experiment in the maintenance of international peace. The Hague Peace Conventions, one in 1899 at which 26 powers were represented, and another in 1909 attended by 44 powers, instituted international courts of arbitration, and the Conference of 1907 agreed to "compulsory arbitration without any restriction" in the interpretation and application of international agreements. This Conference, at which practically the entire world was represented, unanimously declared their "firm determination to cooperate in the maintenance of general peace."

Notwithstanding this firm determination, and in spite of the age-long struggle to banish war, the nations that participated in the Hague conventions were, within 7 years, at each other's throats, and the most terrible war of all history raged for 4 terrifying and devastating years.

Have men and nations so changed within the last few years that we can count upon the successful establishment of a new order throughout the world? Have plans that have been tried again and again acquired some new and magical potency? Is the quest for universal peace at last happily and eternally ended?

There is nothing in the Covenant of the League of Nations to assure us of this gratifying consummation. In fact, the document itself affords evidence of the expectation of future wars in the very means that are set up to punish a resort to arms.

And here is where the constitution of the League of Nations has serious import for the United States. The program of the League is predicated upon the outbreak of future war and prescribes the duties and obligations of the members of the League in such an event. It stipulates that the disregarding of its Covenants will be regarded as an act of war and empowers its Executive Council in such cases to recommend what effective military or naval force the members of the League shall contribute to protect the Covenants of the League.

In joining the League, the United States would become bound to equip and dispatch a military or naval force at the summons of the Executive Council of the League, no matter how remote the seat of trouble or how foreign the dispute is to our people or the interests of our Government.

There are myriad possibilities for trouble. All central Europe and much of Asia are seething with turmoil and unrest. If the help of America is needed, it will be freely given, but we have the right to ask Europe and Asia to adjust their own troubles and put their houses in order.

So long as we retain the spirit of Chateau-Thierry, of Belleau Wood, and of the Forest of the Argonne, no power on earth will break loose in the madness of war without first taking into most serious and respectful consideration the possible action of the United States.

It is not a written covenant between various nations that will guarantee the peace of the world. More potent far are the lesson of Germany's utter failure and the memory of what our boys did over there. The only security for the peace of the world is the power of the nations that believe in peace and that have demonstrated that they can enforce it. We are able to enforce peace now; but with our soldiers

scattered to the four quarters of the globe doing police duty for the protection of the possessions of the other members of the League, the American Eagle would soon lose his sharp beak and talons and come to resemble a bird of the barnyard variety.

By the European War Great Britain has added to her Empire, either by annexation or by protectorates and mandates, a territory of 3,972,000 square miles—a domain larger than continental Europe—with a population of 51,000,000 people. America has acquired nothing except a war debt of \$23,000,000,000 and a war expense of \$50,000,000,000, but the first open suggestion that America cancel her war loans to Europe, amounting to \$10,000,000,000, on which the interest alone amounts to \$1,000,000 a day, comes from England, the only country that has profited hugely as a result of the war.

Great Britain today stands the dominant power in Asia and Africa and on the Continent of North America holds more territory than is represented in the combined area of the United States and Alaska. The aggregate area of the British Empire is one fourth the land surface of the globe, totaling 15,000,000 square miles, a territory nine times larger than the Roman Empire at the height of its glory. It is the boundaries of this vast Empire which the United States, under the League of Nations, would be obliged to defend against external aggression, which, in the opinion of the Council, amounts even to a threat of war affecting the peace of nations.

Wherever the British flag flies over a subject people today, trouble is brewing. Ireland is an armed camp. Three hundred and fifty million inhabitants of India are stirring to shake off the yoke. Egypt, betrayed into the passive acceptance of a protectorate, is in open revolt. Is there no lesson for America in these facts?

There is one agency to which Great Britain may look for aid in holding her rebellious subjects in check, and that agency is the League of Nations. America, in her newly acquired role of lackey and burden bearer for the nations of Europe, forgetting the wise counsel of Washington regarding foreign entanglements, by entrance into the League would put the yoke around her neck and be compelled to send the best she breeds to the far-flung battle lines of British conquest and domination.

Like the Holy Alliance of 1815, the Covenant of the League of Nations is couched in the language of idealism and peace. But like the Holy Alliance, it will be used for the suppression of nationalities and the prosecution of oppressive warfare.

The Conference for the Limitation of Armaments has given the United States more and greater advantages than were offered in the Covenant of the League of Nations. Why, then, should participation in the League be considered necessary or advisable?

RECIPROCAL TRADE AGREEMENTS SHOULD BAR PRODUCTS OF DESERTING AMERICAN MANUFACTURERS

Mr. O'MALLEY. Mr. Speaker, I ask unanimous consent to extend my remarks on the amendment I offered to the tariff bill, and to include therein some figures upon American manufacturers who moved abroad.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. O'MALLEY. Mr. Speaker, under leave to extend my remarks in connection with the amendment I offered to H.R. 8687, a bill to amend the Tariff Act of 1930, providing for reciprocal trade agreements, I offered my amendment to try and alleviate a situation brought about by our industrialists which is responsible in my opinion for at least one third of the unemployment in the United States.

When these foreign-trade agreements are negotiated or entered into, if my amendment were adopted to the present tariff act, it would make it impossible for any reciprocal-trade agreement to embody any feature permitting shipment back into the United States of any article manufactured or produced by a foreign subsidiary of an American manufacturer with factories and production facilities in foreign countries. This seems to me to be a fair proposition, inas-

much as the American industrialist who has stayed in this country, kept his investments here, and employs American labor should be guaranteed that his competitor who has built plants in foreign countries shall not be allowed to more advantageously compete with him for our American market. This is especially so, where many American industries have emigrated to other lands, leaving thousands upon thousands of their American workmen as burdens upon Federal, State, and local relief agencies.

Few people realize that the desertion of American industry to foreign shores has been one of the major causes of our depression. A few figures will substantiate the fact that the tremendous amount of American capital that has gone abroad since 1929 has a direct bearing upon the great increase in unemployment here in this country. According to the Department of Commerce, American direct investments in foreign countries reached the amazing total of \$7,997,000,000 in 1932. This was an increase of nearly \$5,000,000,000 since the beginning of 1929. Is it any wonder that thousands of American workmen walk the streets of our country looking for employment when this great sum of money invested in industry has been transferred from our country to Canada and Europe to build and equip foreign factories?

Early in the special session of the Seventy-third Congress, as a means of forcing these deserting American industrialists to bear some of the burdens of recovery, I introduced House Joint Resolution 161, proposing an amendment to the Income Tax Act of 1932, providing for an emergency surtax of 50 percent on the net income of all foreign subsidiaries of American corporations, individuals, partnerships, or manufacturers. My purpose in introducing this amendment to the income tax law was to compel these industrialists who had deserted our country in its time of need to bear their just share of the expense of supporting, on relief rolls, those of their former employees who were deprived of employment by the almost-wholesale desertion of American capital and industry to foreign countries. If this proposal of mine to amend the income tax laws had been adopted by the Ways and Means Committee, an emergency recovery revenue of close to \$500,000,000 would be raised for the Federal Treasury. This would go a long way toward paying the interest and financing charges on the billions of dollars we have found necessary to authorize through bond issues for the purpose of providing "made" work for our unemployed fellow citizens.

It is a sad commentary upon the patriotism of American capital to know that at the critical time, when every job in America is needed to ease the burden of unemployment, hundreds of American manufacturers moved to Canada and Europe with all their equipment, producing their products in those foreign countries and employing foreign workers in place of the American workers once employed by them here at home. These industries made their profits and grew to their gigantic size here in America through the support and purchases of American citizens. To desert us when employment is America's greatest need, is reminiscent of the cowardice of a captain who would desert his ship in a storm.

Many times previously I have stated that I favored a revised system of taxation that would make American manufacturers with foreign plants, employing foreign labor, pay a higher rate of taxes upon their profits than the manufacturer with his entire industry within our borders. In that way we fairly and directly face the issue and say to those who desert us in our difficult times when the problem of unemployment is greatest, "Either come back here and make jobs for Americans who need them or get out entirely so that loyal American industrialists with all their investments and production equipment in this country can get all of America's domestic business." The last 4 years has been no time for dollar patriots, and this should be an unfriendly country to the industrialist who thinks much more of profits than of whether or not our American economic welfare is improved and preserved. Only last year, in the course of my researches upon this question of American industry fleeing to foreign countries in the face of unsettled

economic weather here at home, I picked up a magazine called "Industrial Business in Canada." I found listed in its pages the astonishing total of more than 500 American manufacturers who had built plants in Canada between the years 1930 and 1932. In addition to that striking illustration of the need for a definite policy of taxation aimed to fairly adjust the cost of caring for our unemployed between the manufacturer who stays here at home and the one who deserts to foreign shores, I received in the mail a circular entitled "The Culmination to Four Years of a Steadily Increasing Business", put out by the Hoover Electric Cleaner Co. In the pages of this circular was printed a rather astonishing letter, considering the fact that this company saw its inception and made its numerous profits here in America before transferring a portion of its industrial activity to England. The letter states, and I quote certain extracts:

At this moment in the history of Hoover, Ltd., an important moment to us with the establishment of our factory in England, coming as the culmination of 4 years' steadily increasing business.

The letter concludes with the statement that—

The people who state that prosperity is just around the corner have been laughed at lately, but we are inclined to think that prosperity is around the corner if you know which corner to look around.

Yes; prosperity for England and English workers was around the corner for this company and hundreds of others who have transferred their industrial activities abroad. But that prosperity for these foreign nations has been accompanied by depression and unemployment for our own American citizens, and this unemployment and depression, caused partially by the flight of American industry to other countries, should be paid for through a system of taxation assessed against these deserting American capitalists.

My purpose in offering this amendment to the Reciprocal Tariff Act is to specifically provide that no foreign nation, in negotiating a reciprocal-trade agreement with the United States, shall be allowed to permit these deserting American industrialists to import back into this country the goods manufactured by them in their foreign subsidiaries which will come into competition in our domestic market with the products of our loyal manufacturers who have stayed in this country, despite the difficult times. I regret that the House by its vote has not seen fit to adopt my amendment, since it cannot harm this tariff bill in any way but would make it clear and unmistakable that the American market belongs first to the American manufacturer with all his resources and capital invested in this country insofar as we can help him to get that market; and, secondly, my amendment closes a loophole against those profit-hungry deserters who have thought more of dividends upon their investments than of the welfare, employment, and economic happiness of our American citizens, who, through their purchases, made possible the growth of many of these great corporations now entrenched and producing their products abroad.

LET US KNOW EXACTLY WHO IS BEHIND DR. WIRT

Mr. SABATH. Mr. Speaker, I ask unanimous consent to extend my remarks on the resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, ladies and gentlemen of the House, since I recently questioned the underlying motives of Dr. Wirt's ridiculous charge of communism against the Roosevelt administration, I have received many letters upbraiding me for my expressed opinion. If the Republican leaders and the Republican press had not utilized these silly Wirt charges for the purpose of creating prejudice against the honest efforts of President Roosevelt, I would have advised that Dr. Wirt's statements be ignored. But, in view of the situation that has now arisen, I believe that the resolution of investigation (H.Res. 313) should be passed. In fact, I advocated, while the resolution was before the Rules Committee, that its scope be broadened so that we might obtain all the facts and underlying motives for this Wirt anti-Democratic publicity.

I am satisfied that a thorough investigation will show that there is no foundation or justification for Professor Wirt's

statement; that it was made upon the instigation of the iniquitous Steel Trust. Personally I should prefer that the evidence to be disclosed reveal that such is not the case and that it was only a loose statement resulting from too much imbibed spiritual inspirations, which we all know sometimes cause men to talk recklessly.

Professor Wirt is at the present time the head of the public schools at Gary, Ind. To anybody who knows conditions in that city this fact is very significant. Gary is controlled from cellar to garret by the Steel Trust. No man can hold the least important position there unless he is 100 percent satisfactory to the Steel Trust. President Roosevelt is not satisfactory to the Steel Trust because it cannot control him.

Mr. Speaker, it is amazing to what extent the trust-controlled Republican Party and the Republican press are willing to go to destroy the praiseworthy achievements of President Roosevelt and to harass him in his noble quests for further and early betterment of conditions of our righteous citizenry.

As I stated on the floor of this House the other day, President Roosevelt, on the day he was inaugurated, was confronted with the gravest situation that ever faced our country in any peace-time period in the entire history of our Nation. Allow me again briefly to picture the terrible conditions that existed on that fateful March 4, 1933, and indicate some of the accomplishments of our most resourceful Chief Executive in the short space of 1 year:

REVOLUTION WAS IN THE OFFING

Sixteen million people were out of work. Hundreds of thousands of hungry; yes, starving men and women marched through our streets to city halls, county institutions, and to our State capitols, demanding work and food. More than 75 percent of our plants and factories were closed, and those that still remained open worked only 2 or 3 days a week, working only 20 to 30 percent of the time. Men fortunate enough to be employed at all were paid as little as \$1 per day, and thousands of women \$3 per week. More than 50 percent of the stores were closed, manufacturing businesses were thrown into receivers' hands in bankruptcy. Homes were being foreclosed, tenants evicted, States and municipalities not able to feed the hungry or proceed with started works—unable to pay the employees. Schools were being closed, and children turned out on our streets. In many States court orders were ignored, and discontentment and resentment reigned through our land, and anarchy and bolshevism grew. Depositors' life savings gone; despair on every side; insane institutions and poorhouses overcrowded; suicides in all walks of life; banks closed, their capital impaired; and insurance companies insolvent, all due to Republican misrule. These all were the handiwork of the well-known Wall Street.

Such was the trail of desolation and despair that marked the end of the "old deal" under the administrations of Harding, Coolidge, and Hoover.

THEN CAME THE NEW DEAL

As I say, these were the conditions on March 4, 1933, when President Roosevelt was inaugurated.

President Roosevelt immediately set forth to save the country. In his effort to bring relief to the Nation, the President, within a few days after taking office, called a special session of Congress, recommending legislation to stop discord, reestablish confidence, bring about the reemployment of the millions of American wage earners, the reopening of our plants and factories, eliminate the criminal extravagance that was practiced by former Republican administrations, bring about economy, and, if in any way possible, balance the Budget. Since that day many of his recommendations have been enacted into law, and all have tended, as I shall show, to rehabilitate and to reconstruct the wreck and ruin brought about by the former Republican mismanagement and misrule.

DEMOCRATIC ACCOMPLISHMENTS UNDER ROOSEVELT

First. Owing to President Roosevelt's economy program nearly a billion dollars annually will be saved to the Nation.

Second. Repeal of prohibition, which has resulted in millions of taxes going into the Treasury instead of to the bootleggers and racketeers.

Third. Tottering banks have been placed on a firm foundation.

Fourth. Food, clothing, fuel, and shelter have been provided for millions of helpless and needy people through C.W.A. work.

Fifth. Thousands of young men, unable to obtain employment, have found health and usefulness through Civilian Conservation Corps camps.

Sixth. Millions have been put back to work through the National Recovery Act.

Seventh. Funds provided for Public Works building program have put additional millions back to work.

Eighth. Child labor has been practically abolished.

Ninth. A successful campaign has been carried on against crime and racketeering.

Tenth. Machinery has been put in motion to adjust employment differences between employers and employees, and serious trouble has been avoided.

Eleventh. The cancelation of fraudulent air-mail contracts.

Twelfth. Fraud upon the public, such as perpetrated in the sale of fraudulent securities, has been stopped by the Federal Securities Act.

Thirteenth. Thousands upon thousands of home owners have saved their homes through the establishment of the Home Owners' Loan Corporation.

Fourteenth. Depositors in banks now have their savings insured and protected.

Fifteenth. Farm relief has been passed by Congress, affording loans to farmers and preventing foreclosure of mortgages. The farmer today is getting more for his products, enabling him to buy manufactured products, which is bound to give additional employment to the workers in our factories and mills.

Sixteenth. Loans have been made to States for unemployment relief and further moneys have been loaned to cities and States for construction, road, and building projects, resulting in the employment of millions and saving them from being placed on relief rolls.

Seventeenth. The devaluation of gold by President Roosevelt was a masterful stroke of statesmanship, immeasurably helping the Nation toward recovery.

Eighteenth. The refinancing of Government indebtedness has saved the country millions of dollars in interest.

Nineteenth. The passage of the Muscle Shoals legislation insures the freedom of the farmer and industry from the dominance of the Power and Fertilizer Trusts, and will insure an adequate supply of munitions of war.

I have gratifyingly supported the President in effecting the passage of all this legislation.

THE PRESIDENT AND CONGRESS ARE FIGHTING FOR THE MASSES

In addition to all the things that the President has already accomplished, there are other things he is doing with the aid of Congress to aid reemployment:

First. Encouraging foreign trade to make more work for our factories.

Second. To create and establish Federal discount banks or some Federal banking medium that will make loans to the small business man or manufacturer so his business can be kept going and more workmen employed.

Third. The building of housing centers in large cities—and Chicago will be one of the first—which will give work to thousands in razing old buildings and give employment to additional thousands in the building trades in the erection of new buildings.

Fourth. The investigation of the misnamed "protective bondholders' committees", the receivership and bankruptcy rings.

Fifth. The administration and Congress will do their utmost to increase employment and will provide various means of help to relieve people until private business and industry can give them work.

Sixth. The President has already announced himself as in favor of some practical form of old-age pensions which will take care of the needy and aged in their declining days.

Seventh. It is also probable that Congress may soon enact some form of legislation respecting silver that will work to the advantage both of the farmer and the wage earner.

These are but a few of the accomplishments and aims of the President and the Congress. I am proud as a Member of this House to have modestly aided in these things for the relief of the people, and I will continue to do all in my power to bring back better times.

RECOVERY FIGHT IS STEADILY WINNING

Mr. Speaker, ladies, and gentlemen, many other recommendations await the action of the Democratic Congress, which recommendations, I am satisfied, will shortly be enacted into law.

That business as well as reemployment is advancing is even admitted by this Professor Wirt, as the Steel Trust reports tremendous increases in its business. Every day the financial pages of all newspapers show that many industries have turned from losses in 1930, 1931, and 1932 to gains and profits in 1933, and have increased employment immeasurably, in contrast with the decrease of employment in 1930, 1931, and 1932. President Roosevelt, in his program to effect these necessary and marvelous achievements, has surrounded himself with the brainiest men obtainable, who are laboring under his direction day and night for a mere pittance. These are patriotic men whom the vested interests cannot influence or sway, and whose brains and services nobody can improperly purchase, because they are honest and honorable men, with unsullied rectitude of purpose, having the best interests of the Nation at heart, and whose patriotism it is a shame to question.

No, Mr. Speaker, ladies and gentlemen, they are rendering real efficient service to the people of the country, and whatever danger there is to the Nation and our institutions and our Government comes from the avaricious, greedy coterie of selfish financiers and industrial leaders, who, through their hirelings, professional lobbyists, and propagandists, are determined to secure complete control so that they may reenthroned the dastardly practices which fell with such devastating effect upon our beloved country. Never before has the Capital been infested with a greater number of the most efficient, high-powered lobbyists than it has harbored in the last 3 months, hiding behind the various organizations and associations they have formed under the various high-faluting, innocent-sounding names that have flooded the Nation, and especially the Capital, with the most shameful propaganda in the history of our Nation. The propaganda against stock-exchange control, against the Wagner bill, unemployment insurance, and old-age pensions has assumed unbelievable proportions.

In 1929 each and every seat on the New York Stock Exchange sold for as much as \$650,000, while today the privilege to sit in that gambling den has fallen to \$100,000 each. It shows that rake-off has diminished, and consequently they are stopping at nothing in their desperation to delay, yes, and to defeat this proposed beneficial legislation, and in despair they are using otherwise well-meaning men and women in every walk of life. Now, Mr. Speaker, ladies, and gentlemen, there is nothing to be feared from honest, sincere, and patriotic men, but there is something to be feared with these profiteers, racketeers, manipulators; and whatever danger there is, is on the part of those of the Republican Party whom the President felt he could trust, but many of whom are not in sympathy with his program and are undermining his efforts. The sooner he purges himself of these unworthies, the easier he will be able to accomplish his aims and the better it will be for the Nation. Republicans have been in control and in positions of trust for 12 years. They have repeatedly demonstrated they have not the interest of the people at heart. They cannot be trusted; they cannot be depended upon. I urge the President, for his own sake, for the country's sake, to get rid of

those who are not in accord with his policies. Then, and not until then, will he attain his accomplishments and the good and well-being of 124,000,000 American people, who trust and have implicit confidence in him. Do not permit a few selfish bankers and their agents, the Wall Street wolves in sheep's clothing, to deceive you, Mr. President, as they did Presidents Coolidge and Hoover.

Mr. Speaker, a few weeks ago a particularly vicious attack was made upon the President and the Postmaster General because the Postmaster General had canceled the fraudulent air-mail contracts, which cancellation was ordered upon the advice and assurance of the War Department, not from the so-called "brain trust", but the War Department, I repeat, to whom the Postmaster General assigned the continuation of that service. I concede that it would have been more prudent if the Postmaster General had not relied upon General Foullois' assurance and had satisfied himself in his usual way that the Army Air Service was equipped to handle the situation; but having the right to believe in their knowledge and judgment, he assigned the activities to them. Had not the Postmaster General the best interest of the country at heart, or had he been political-minded, he could have permitted these fraudulent contracts to remain in force and have waited for better weather conditions before taking the action that he did. And because, unfortunately, 13 Army flyers have lost their lives, which I greatly deplore, and which General Foullois states is not extreme and is really below the number of lives that have been lost in the flying of private and commercial planes in the same period, the Republican leaders carried on an inspired crusade such as has very seldom been witnessed before, even charging the administration with legalized murder.

It is indeed most astounding that these very men that were jumping up to attack the President and Postmaster General from day to day on the floor of the House were the very ones who defended the makers of the Republican-built dirigible *Akron* whose collapse destroyed the lives of 54 courageous and brave men, including that great admiral, William A. Moffett. But the effect of that catastrophe had abated, and new attacks perforce must be made upon the Roosevelt administration.

So this Dr. Wirt is discovered and, in their desperation, the Republican publicity racketeers are frantically endeavoring to assail and besmirch the names and characters of the efficient, patriotic, and capable young men who, for a mere pittance, are giving their all to aid President Roosevelt in his effort to reestablish and rebuild what has been destroyed by the very financial and industrial leaders whom these same publicity assassins are now serving.

As a reward for their patriotic services the President's assistants are being branded as traitors. I concede, Mr. Speaker, that I am not a financial expert or an economist; but by the eternal gods, God has given me some horse sense and I yield to no one in patriotism and love of my country, and I would not hesitate this very minute to give my all, yes, my life, if need be, for the preservation of our Democratic form of Government.

I wish I were possessed of such power of speech and knowledge of the language that I could express my true sentiments against this unmanly attempted assassination of men of real character and sterling patriotism who, I am satisfied in my heart, far excel in patriotism and love of country those who for contemptible political reasons are now attacking them. It seems to me that the Republican Party and its leaders, who have been and still are domineered by the Banking and Steel, and other "steal" Trusts and vested interests, are not familiar with anything but the great corporations and trusts. They are as a class deaf and blind to the misery and despair that they have brought upon millions of men, women, and children of this country. No one is so blind as he who absolutely refuses to see. In Republican desperation to regain power the Republican publicity agents are trying to create in the public mind one more trust, namely, the "brain trust" which they are endeavoring to "sell" to the country, realizing that

they cannot use it or control it for the advantage and benefit of their Wall Street masters.

For years the vested interests have combed the country and hired and acquired and are now utilizing the outstanding brainiest and the most efficient men they can obtain to serve their purpose of fooling the people. It is generally known that they have had, and now have on their pay rolls, professors of many universities, economists, and expert publicists. In justice to some of them, at least, I will say that I believe they are serving big business principally because of desperation, fear, and intimidation. On the other hand, when President Roosevelt obtained the services of a few of the best of these patriotic men to enable him to carry out his ideals and plans, those patriots are subjected to the most shameful villification and abuse.

Mr. Speaker, ladies and gentlemen of the House, I am for the widest possible investigation and, as I have stated on the floor before, if there are any men holding public positions who are not in full accord with the President's program, policies, and principles, let us here and the country at large know who they are, and I will be the first one to insist on their separation from the public service.

Some months ago I called President Roosevelt's attention to the fact that there are many men still in key positions that I am satisfied are not in sympathy with or in accord with his views. Those are men who were inherited from former Republican administrations, many of whom were placed there to serve the interests of the Republican Party but not our country's best interests. Those interests contributed millions toward Hoover's election and for his campaign for reelection; and I fear, as I have stated before, their appointees still in office do not cooperate with and are not helpful but are detrimental to the present honest, efficient, economic Democratic administration.

Yes, Mr. Speaker, let us have the truth; let us identify the selfish and disloyal. Let us not stop half-way. Let there be a thorough investigation, not only of those in the Government service, but of those who, because they cannot control, are willing to destroy the Government. Let us ascertain to what extent the stock exchange, the high financiers, and each of the big industries not only inspire but finance these vicious propagandas against our President and our Government.

Mr. Hearst and his papers rendered the country a great service a few years ago in unmasking the machinations and activities of the Power Trust, wherein evidence was disclosed that they used our universities, colleges, and schools for their unholy work. Today there are still greater opportunities for all truly great newspapers. There is a real duty to be performed, and I have the utmost confidence that in the interest of our institutions and form of government Mr. Hearst and other great publishers will insist upon all the facts being brought to light, to the end that the American people may know the full truth.

In the meantime a few gentlemen at the other end of the Capitol, who appear recently to have graduated from the ranks of progressives to ultraconservatism, are obtaining a little publicity by appearing to take the Wirt incident seriously. I believe they are but building a house of cards that will collapse utterly once the investigation gets under way, for I am satisfied Wirt's charges are but political buncombe.

PERMISSION TO ADDRESS THE HOUSE

Mr. EATON. Mr. Speaker, I ask unanimous consent that on next Tuesday, after the reading of the Journal and the disposition of matters on the Speaker's desk, I be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

THE TARIFF BILL

Mr. RICHARDS. Mr. Speaker, at the time of the roll call on the tariff measure today I was unavoidably detained. I arrived in the Chamber just after the roll was called. Had I been present, I would have voted "yea."

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, will the gentleman from Tennessee tell us the program for Monday and Tuesday before we adjourn?

Mr. BYRNS. As the gentleman knows, Monday is Unanimous Consent and Suspension Day. I am hoping that the Unanimous Consent Calendar may be called. I have no knowledge of just what suspensions the Speaker has in mind.

It is my present belief that on Tuesday the bill guaranteeing the home-loan bonds will be taken up and disposed of. Further than that I cannot give the gentleman any information.

ADJOURNMENT OVER

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

Mr. BLANTON. Mr. Speaker, reserving the right to object, merely to ask a question—of course I shall not object: Is there any reason in the world why this House will not be through with its business in 2 weeks?

Mr. BYRNS. The answer to that question presents many difficulties, because the gentleman is aware there are a number of bills pending before committees.

Mr. BLANTON. We ought to be through with our business in 2 weeks and ought to adjourn in a month; ought we not?

Mr. BYRNS. I think so, undoubtedly; I certainly hope so. [Applause.] The gentleman knows that the District appropriation bill is yet to come in. I hope the District bill may be taken up early next week.

JOHN D. CREMER

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McFADDEN. Mr. Speaker, on last Tuesday evening, in the city of Washington, John D. Cremer, for many years an Official Reporter of Debates of the House of Representatives, passed into the Great Beyond.

Mr. Cremer was born in Huntingdon, Pa., and was for some time connected with the reportorial staff of the Philadelphia Press.

Mr. Cremer came to Washington in 1888 with Samuel J. Randall. He was employed by the Committee on Appropriations of the House. Later he was appointed an official committee stenographer by the late Speaker Joseph G. Cannon, and still later appointed an official reporter of debates. For 23 years he was our companion on the floor of this House. He was respected by the Members of this House and a friend of all the Members during his entire service.

He was an unusual man in many respects. He was an author. He purchased his home here from the proceeds of his writings. He was a poet, and I am informed that he had one of the finest libraries of poetry in the United States. He was our friend and he has gone to the Great Beyond, and I think it well that we should pause for a moment to pay respect to his memory at this time. I deem it an honor to say these few words as a fellow Pennsylvanian.

CORRECTION IN COMMITTEE REPORT

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to correct a misprint in the report of the Committee on Labor. The middle initial of my name is given as "T." This should be changed to the letter "P." My name is Patrick.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The Chair laid before the House the following communication from the Clerk of the House of Representatives, which

was read, and, together with the accompanying papers, referred to the Committee on the Judiciary and ordered to be printed:

MARCH 28, 1934.

HON. HENRY T. RAINEY,

House of Representatives, Washington, D.C.

MY DEAR MR. SPEAKER: I beg to inform you that I have received from the Supreme Court of the District of Columbia a subpoena duces tecum, directed to me as Clerk of the House of Representatives, commanding me to appear before said court on the 10th day of April 1934, at 9:45 o'clock a.m., as a witness in the case of *The United States v. James Cannon, Jr., and Ada L. Burroughs* (no. 51159, Criminal Docket), and to bring with me certain and sundry papers, therein described, in the files of the House of Representatives.

The papers in question were filed with the Clerk of the House of Representatives pursuant to the Federal Corrupt Practices Act and are now in possession of the House of Representatives in the custody of the Clerk.

Your attention and that of the House is respectfully invited to a resolution of the House adopted in the Forty-sixth Congress, first session (CONGRESSIONAL RECORD, p. 680), upon the recommendation of the Committee on the Judiciary, as follows:

"Resolved, That no officer or employee of the House of Representatives has the right, either voluntarily or in obedience to a subpoena duces tecum, to produce any document, paper, or book belonging to the files of the House before any court or officer, nor to furnish any copy of any testimony given or paper filed in any investigation before the House or any of its committees, or of any other paper belonging to the files of the House, except such as may be authorized by statute to be copied and such as the House itself may have made public, to be taken without the consent of the House first obtained."

And to a resolution adopted by the House in the Forty-ninth Congress, first session (CONGRESSIONAL RECORD, p. 1295), from which the following is quoted:

"Resolved, That by the privilege of this House no evidence of a documentary character under the control and in possession of the House of Representatives can, by the mandate or process of the ordinary courts of justice, be taken from such control or possession but by its permission.

"That when it appears by the order of a court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice or before any judge or such legal officer for the promotion of justice, this House will take such order thereon as will promote the ends of justice consistently with the privileges and rights of this House."

These resolutions resulted from the issuance of subpoenas duces tecum upon the Clerk of the House to produce certain original papers in the files of the House.

Permission to remove from their place of file or custody any documents or papers was denied by the House, but the court was afforded facilities for making certified copies. This seems to have been the uniform practice in respect to subpoenas duces tecum issued by a court upon the Clerk of the House to produce in court original papers from the files of the House.

The subpoena in question is herewith attached and the matter is presented for such action as the House in its wisdom may see fit to take.

Very respectfully,

SOUTH TRIMBLE,

Clerk of the House of Representatives.

TRANSFER OF BILLS FROM PRIVATE TO PUBLIC CALENDARS

The SPEAKER. The Chair is advised that there are certain bills on the Private Calendar concerning States or subdivisions of States which ought to be on the Public Calendar. The Chair directs that the Clerk transfer them from the Private Calendar to the Public Calendar as of the date of the original reference. The Clerk will report the bills by title.

The Clerk read as follows:

H.R. 5597, to afford permanent protection to the watershed and water supply of the city of Coquille, Coos County, Oreg.

H.R. 2828, to authorize the city of Fernandina, Fla., under certain conditions, to dispose of a portion of the Amelia Island Lighthouse Reservation.

H.R. 7744, to authorize the Secretary of Commerce to transfer to the city of Bridgeport, Conn., a certain unused light-station reservation.

H.R. 5312, to provide for the conveyance of the abandoned lighthouse reservation and buildings, including detached tower, situate within the city limits of Erie, Pa., to the city, for public-park purposes.

H.R. 7761, to authorize the incorporated town of Wrangell, Alaska, to issue bonds in any sum not exceeding \$47,000 for municipal public works, including enlargement, extension,

construction, and reconstruction of water-supply system; extension, construction, and reconstruction of retaining wall and filling, and paving streets and sidewalks; and extension, construction, and reconstruction of sewers in said town of Wrangell.

H.R. 7763, to authorize the incorporated city of Skagway, Alaska, to issue bonds in any sum not exceeding \$40,000, to be used for the construction, reconstruction, replacing, and installation of a water-distribution system.

H.R. 7764, to authorize the incorporated city of Juneau, Alaska, to issue bonds in any sum not exceeding \$100,000 for municipal public works, including regrading and paving of streets and sidewalks, installation of sewer and water pipe, construction of bridges, construction of concrete bulkheads, and construction of refuse incinerator.

H.R. 6530, granting and confirming to the East Bay Municipal Utility District, a municipal utility district of the State of California and a body corporate and politic of said State and a political subdivision thereof, certain lands, and for other purposes.

H.R. 1724, providing for settlement of claims of officers and enlisted men for extra pay provided by Act of January 12, 1899.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BERLIN, indefinitely, on account of illness in family.

To Mr. CHASE (at the request of Mr. KVALE), on account of death in the family.

To Mr. UMSTEAD, for 1 day, to attend funeral.

To Mr. TERRELL, for the day, on account of illness.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 7478. An act to amend the Agricultural Adjustment Act so as to include cattle and other products as basic agricultural commodities, and for other purposes.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and the House, in accordance with its previous order (at 6 o'clock and 20 minutes p.m.), adjourned until Monday, April 2, 1934, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE PUBLIC LANDS

(Friday, Mar. 30, 10:30 a.m.)

Room 328, House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Friday, Mar. 30, 10 a.m.)

Hearing on railroad full crew, car lengths, and 6-hour day bills.

COMMITTEE ON NAVAL AFFAIRS

(Friday, Mar. 30, 10:30 a.m.)

Continue hearings in the committee room on S. 1103.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

395. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1934, to remain available until June 30, 1935, amounting to \$7,438,000 for the purpose of carrying into effect the provisions of the act approved March 26, 1934, to meet losses sustained on and after July 15, 1933, by officers, enlisted men, and employees of the United States while in service in foreign countries, due to the appreciation of foreign currencies in their relation to the American dollar (H.Doc. no. 294); referred to the Committee on Appropriations, and ordered to be printed.

396. A letter from the Clerk of the House of Representatives, transmitting a copy of a subpoena duces tecum directing the Clerk of the House of Representatives to furnish certain and sundry papers in regards to James Cannon, Jr., and Ada L. Burroughs (H.Doc. No. 295); to the Committee on the Judiciary and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII.

Mr. CELLER: Committee on the Judiciary. H.R. 8832. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; without amendment (Rept. No. 1104). Referred to the House Calendar.

Mr. MALONEY of Louisiana: Committee on Interstate and Foreign Commerce. H.R. 7488. A bill authorizing the Secretary of Commerce to acquire a site for a lighthouse depot at New Orleans, La., and for other purposes; with amendment (Rept. No. 1106). Referred to the Committee of the Whole House on the state of the Union.

Mr. PETTENGILL: Committee on Interstate and Foreign Commerce. H.R. 8853. A bill to extend the time for the construction of a bridge across the Wabash River at a point in Sullivan County, Ind., to a point opposite on the Illinois shore; without amendment (Rept. No. 1107). Referred to the House Calendar.

Mr. JONES: Committee on Agriculture. H.R. 8861. A bill to include sugar beets and sugar cane as basic agricultural commodities under the Agricultural Adjustment Act, and for other purposes; with amendment (Rept. No. 1109). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARPENTER of Nebraska: A bill (H.R. 8884) to provide for the issue of route certificates to carriers on star routes and for fixing the compensation of such carriers, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. MARTIN of Oregon: A bill (H.R. 8885) to permit the admission to the United States of persons deported by reason of insanity who have recovered their sanity for a period of more than 15 years; to the Committee on Immigration and Naturalization.

By Mr. SNYDER: A bill (H.R. 8886) to provide for the construction of a post-office building at St. Marys, Pa.; to the Committee on Public Buildings and Grounds.

By Mr. KENNEY: A bill (H.R. 8887) to amend the laws relating to proctors' fees and bonds and stipulations in suits in admiralty; to the Committee on the Judiciary.

By Mr. FOCHT: A bill (H.R. 8888) to reimburse certain persons whose animals were seized in the Commonwealth of Pennsylvania because of tubercular infection; to the Committee on Agriculture.

By Mr. LANHAM: A bill (H.R. 8889) to provide for the custody and maintenance of the United States Supreme Court Building and the equipment and grounds thereof; to the Committee on Public Buildings and Grounds.

By Mr. MANSFIELD: A bill (H.R. 8890) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. McFARLANE: A bill (H.R. 8891) to amend sections 13, 141, and 1111 of the Revenue Act of 1932; to the Committee on Ways and Means.

By Mr. REECE: A bill (H.R. 8892) to provide for the acquisition of the Andrew Johnson Homestead, Greeneville, Tenn., as a national shrine; to the Committee on the Public Lands.

By Mr. JACOBSEN: A bill (H.R. 8893) relating to the construction, maintenance, and operation by the city of

Davenport, Iowa, of a bridge across the Mississippi River at or near Tenth Street in Bettendorf, State of Iowa; to the Committee on Interstate and Foreign Commerce.

By Mr. SWICK: A bill (H.R. 8894) authorizing the Secretary of the Treasury to convey certain lands, together with building thereon, to the city of New Castle, Pa., for a public library and municipal building; to the Committee on Public Buildings and Grounds.

By Mr. HENNEY: Joint resolution (H.J.Res. 310) to provide for the printing of hearings held by the National Recovery Administration and the Agricultural Adjustment Administration; to the Committee on Printing.

By Mr. SABATH: Joint resolution (H.J.Res. 311) to permit articles imported from foreign countries, for the purpose of exhibition at the Century of Progress Exposition, Chicago, Ill., to be admitted without payment of tariff, and for other purposes; to the Committee on Ways and Means.

By Mr. MOTT: Joint resolution (H.J.Res. 312) providing for a comprehensive observance of the one hundredth anniversary of the overland journey of Jason Lee to Oregon and establishment of first permanent American settlement in the year 1834; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREW of Massachusetts: A bill (H.R. 8895) for the relief of Joanna A. Sheehan; to the Committee on Claims.

By Mr. BRITTEN: A bill (H.R. 8896) for the relief of Max Freres; to the Committee on Naval Affairs.

By Mr. BURNHAM: A bill (H.R. 8897) for the relief of Jane Murrah; to the Committee on Claims.

By Mr. CARDEN of Kentucky: A bill (H.R. 8898) for the relief of Thomas M. Bardin; to the Committee on Military Affairs.

By Mr. EVANS: A bill (H.R. 8899) authorizing the President of the United States to appoint First Lt. Thomas J. West, Medical Reserve Corps, a first lieutenant in the United States Army and then place him on the retired list; to the Committee on Military Affairs.

By Mr. FADDIS: A bill (H.R. 8900) granting a pension to Margaret Elcher; to the Committee on Pensions.

By Mr. GOSS: A bill (H.R. 8901) for the relief of Carmine Sforza; to the Committee on Claims.

By Mr. GREENWOOD: A bill (H.R. 8902) granting an increase of pension to Roy L. Colvin; to the Committee on Pensions.

By Mr. GAVAGAN: A bill (H.R. 8903) granting a pension to Margarita T. Downing; to the Committee on Invalid Pensions.

By Mr. MONTAGUE: A bill (H.R. 8904) for the relief of the Medical College of Virginia, and others, of Richmond, Va.; to the Committee on Claims.

By Mr. SUTPHIN: A bill (H.R. 8905) for the relief of Charles W. Morgan; to the Committee on the Civil Service.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3406. By Mr. BACON: Petition of sundry citizens of New Jersey, opposing admission of any aliens outside of legal quotas under immigration act; to the Committee on Immigration and Naturalization.

3407. By Mr. BEITER: Petition of the Military Order of Foreign Wars of the United States, New York Commandery, New York, N.Y., recommending that appropriation for citizens' military training camps and training of Reserve Corps officers be increased by 25 percent for the years 1934-35; to the Committee on Military Affairs.

3408. By Mr. BOYLAN: Letter from the Allied Printing Trades Council of Greater New York, representing 35,000 organized printing-trades workers in New York City, at their regular monthly meeting unanimously adopted a resolution endorsing the Wagner industrial disputes bill; to the Committee on Labor.

3409. By Mr. CONNERY: Resolution of the Commonwealth of Massachusetts, seeking preservation of the United States industry of sugar refining; to the Committee on Agriculture.

3410. By Mr. DICKSTEIN: Petition of John Isola and other citizens, voicing approval of section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

3411. By Mr. EDMONDS: Petition of the Philadelphia Board of Trade, opposing House bill 8687; to the Committee on Ways and Means.

3412. By Mr. FULMER: Concurrent resolution of the House of Representatives of the South Carolina Legislature (the Senate concurring), petitioning the Congress of the United States to pass House bill 8050, by Mr. KLEBERG, providing for a tax of 10 cents per pound on all margarine containing any of several foreign oils or fats; to the Committee on Agriculture.

3413. Also, resolution of the House of Representatives of the South Carolina Legislature, memorializing and requesting the Senators and Representatives in Congress to use their influence and best efforts to have the Congress of the United States enact such legislation as will adequately provide a pension for the aged and infirm citizens of our State; to the Committee on Pensions.

3414. By Mr. GOODWIN: Petition of H. E. McCade and others, employees of the New York Telephone Co., of the Monticello and Ellenville section, State of New York, taking exception to paragraph 4, section 5, title 1, of the labor disputes act, as proposed in the Wagner bill, believing it to be an infringement upon their rights to choose a form of organization for collective bargaining; to the Committee on Labor.

3415. Also, petition of Edward M. Stanbrough and others, strongly protesting against the New York Stock Exchange bill; to the Committee on Banking and Currency.

3416. Also, petition of A. F. Nullirt and others, employees of the New York Telephone Co., of Sullivan County, N.Y., taking exception to paragraph 4, section 5, title 1, of the Labor Disputes Act as proposed in the Wagner bill, believing it to be an infringement upon their rights to choose a form of organization for collective bargaining; to the Committee on Labor.

3417. By Mr. KELLY of Pennsylvania: Petition of citizens of McKeesport, Pa., urging use of cancellation stamp on United States mail to encourage replacement of old equipment with new; to the Committee on the Post Office and Post Roads.

3418. Also, petition of citizens of Wilkensburg, Pa., urging passage of Tugwell bill; to the Committee on Interstate and Foreign Commerce.

3419. By Mr. KENNEY: Petition in the nature of a resolution of the State Highway Commission of New Jersey, that the State Highway Commission of the State of New Jersey does hereby recommend and urge that the United States Congress give favorable consideration to the passage of the Cartwright road bill, which provides for the granting of an additional \$400,000,000 to the States for the construction of highways; to the Committee on Roads.

3420. By Mr. KRAMER: Petition in the nature of a resolution adopted by the Maywood Democratic Club, of the city of Maywood, on March 1, 1934, that after due consideration of all the conditions and circumstances, it is, and will be, a benefit to the city of Maywood and the citizens thereof to have an independent post office for the purpose of economizing and improving mail service to this and surrounding communities; to the Committee on the Post Office and Post Roads.

3421. By Mr. LEHR: Petition of citizens of Ann Arbor, Mich., urging opposition to the bill in the House of Representatives known as the "Guyer bill", which provides for the Reconstruction Finance Corporation to loan money to institutions of higher learning, such as universities and colleges; to the Committee on Banking and Currency.

3422. Also, petition of citizens of Ann Arbor, Mich., urging favorable action to Senate bill 457, known as the "Frazier-

Lemke bill", to liquidate and refinance agricultural indebtedness at a reduced rate of interest; to the Committee on Agriculture.

3423. By Mr. LINDSAY: Petition of Richey, Browne & Donald, Inc., Maspeth, N.Y., opposing House bill 8423; to the Committee on Labor.

3424. Also, letters from August V. Grueneberg, Sabbi George, A. Laurino, and others, Brooklyn, N.Y., protesting against the enactment of the Fletcher-Rayburn bill; to the Committee on Interstate and Foreign Commerce.

3425. Also, petition of the Citizens' Committee for Sane Liquor Laws, New York City, concerning taxation and licensing of liquors; to the Committee on Ways and Means.

3426. Also, petition of Celtic Circle, Brooklyn, N.Y., opposing further reductions in salaries of postal employees; to the Committee on the Post Office and Post Roads.

3427. Also, petition of the Sun Oil Co., Philadelphia, Pa., opposing the passage of the National Securities Exchange Act of 1934 (S. 2693); to the Committee on Interstate and Foreign Commerce.

3428. Also, petition of the G. R. Kinney Co., Inc., New York City, opposing the Fletcher-Rayburn bill and Wagner labor bill; to the Committee on Labor.

3429. Also, petition of the New York State Bankers Association, New York City, favoring the passage of Senate bill 3025; to the Committee on Banking and Currency.

3430. Also, petition of Safair, Inc., Roosevelt Field, Mineola, Long Island, N.Y., favoring the passage of Senate bill 2991 and House bill 8400; to the Committee on Interstate and Foreign Commerce.

3431. Also, petition of J. & J. Cash, Inc., South Norwalk, Conn., opposing the Wagner-Connery bills; to the Committee on Labor.

3432. Also, petition of the Italian Chamber of Commerce in New York, favoring the passage of House bill 8430; to the Committee on Ways and Means.

3433. Also, petition of Allied Printing Trades Council of Greater New York, endorsing the Wagner industrial disputes bill; to the Committee on Labor.

3434. Also, petition of the Cork Import Corporation, New York City, opposing House bill 8430, to amend the Tariff Act of 1930; to the Committee on Ways and Means.

3435. Also, petition of the Cork Import Corporation, New York City, opposing the passage of the Wagner labor bill; to the Committee on Labor.

3436. Also, petition of the Luckenbach Steamship Co., Inc., New York City, opposing the passage of House bill 7667; to the Committee on Interstate and Foreign Commerce.

3437. Also, petition of the Greenpoint Metallic Bed Co., Inc., Brooklyn, N.Y. opposing the enactment of the Wagner-Connery bills; to the Committee on Labor.

3438. Also, petition of M. A. Raber, Brooklyn, N.Y., and 57 master bakers of Brooklyn and Queens, N.Y., protesting against the process tax of \$1.38 per barrel on flour; to the Committee on Ways and Means.

3439. Also, petition of the J. & J. W. Elsworth Co., New York City, urging the building of two ice breakers for the United States Coast Guard; to the Committee on Naval Affairs.

3440. By Mr. MILLARD: Petition signed by Richard F. O'Donnell, president of the Westchester County District Association of Postal Employees, and other residents of New York State, urging the repeal of that part of the Economy Act which permits department heads to impose payless-furlough days on Government employees; to the Committee on the Post Office and Post Roads.

3441. By Mr. PETTENGILL: Petition of Clara Crofoot, and other residents of Elkhart, Ind., in favor of the Hatfield-Keller railroad pension bill; to the Committee on Interstate and Foreign Commerce.

3442. By Mr. RUDD: Petition of the Sun Oil Co., Philadelphia, Pa., opposing the National Securities Exchange Act of 1934 (S. 2693); to the Committee on Interstate and Foreign Commerce.

3443. Also, petition of the Italian Chamber of Commerce in New York urging favorable consideration of House bill 8430; to the Committee on Ways and Means.

3444. Also, petition of the Greenpoint Metallic Bed Co., Inc., Brooklyn, N.Y., opposing the enactment of the Wagner-Connery bills; to the Committee on Labor.

3445. Also, petition of J. & J. Cash, Inc., South Norwalk, Conn., opposing the Wagner-Connery bills; to the Committee on Labor.

3446. Also, petition of the New York State Bankers' Association, New York City, favoring the passage of Senate bill 3025; to the Committee on Banking and Currency.

3447. Also, petition of the G. R. Kinney Co., New York City, opposing passage of the Fletcher-Rayburn stock exchange control bill; to the Committee on Interstate and Foreign Commerce.

3448. Also, petition of the Allied Printing Trades Council of Greater New York, favoring passage of the Wagner industrial disputes' bill; to the Committee on Labor.

3449. By Mr. SMITH of West Virginia: Resolution of the Parkersburg Board of Commerce, Parkersburg, W.Va., protesting against the enactment of House bill 8423 and Senate bill 2926, known as the "Wagner-Connery bills"; to the Committee on Labor.

3450. By Mr. SNELL: Petition of the New York Telephone Co. employees relative to Wagner labor disputes' bill; to the Committee on Labor.

3451. Also, petition signed by employees of Algonquin Paper Corporation, of Ogdensburg, N.Y., for the Federal Government to enact immediate legislation that will protect the paper industry of this country against foreign importations; to the Committee on Ways and Means.

3452. By Mr. SUTPHIN: Petition of the Highway Commission of the State of New Jersey, urging consideration by Congress of the Cartwright road bill; to the Committee on Roads.

3453. By the SPEAKER: Petition of Percapio Master et al., of Koloa Kauia, T.H., re Philippine independence; to the Committee on Insular Affairs.

3454. Also, petition of numerous citizens of Hawaii re Philippine independence; to the Committee on Insular Affairs.

SENATE

MONDAY, APRIL 2, 1934

(Legislative day of Wednesday, Mar. 28, 1934)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Kean	Reed
Ashurst	Davis	Keyes	Reynolds
Austin	Dickinson	King	Robinson, Ark.
Bachman	Dieterich	La Follette	Robinson, Ind.
Bankhead	Dill	Lewis	Russell
Barbour	Duffy	Logan	Schall
Barkley	Erickson	Loneragan	Sheppard
Black	Fess	McAdoo	Shipstead
Bone	Fletcher	McCarran	Smith
Borah	Frazier	McGill	Stelwer
Brown	George	McKellar	Thomas, Okla.
Bulow	Gibson	McNary	Thomas, Utah
Byrd	Glass	Metcalf	Thompson
Byrnes	Goldsborough	Murphy	Townsend
Capper	Gore	Neely	Tydings
Caraway	Hale	Norris	Vandenberg
Carey	Harrison	Nye	Van Nuys
Clark	Hastings	O'Mahoney	Wagner
Connally	Hatch	Overton	Walcott
Coolidge	Hayden	Patterson	Walsh
Copeland	Hebert	Pittman	White
Costigan	Johnson	Pope	

Mr. LEWIS. I desire to announce the absence of the Senator from North Carolina [Mr. BAILEY] on business of necessity; the absence of the Senator from Ohio [Mr. BULKLEY], I may say, out of domestic necessity; the absence of the Senator from Florida [Mr. TRAMMELL] and that of the Senator from Mississippi [Mr. STEPHENS] and the Senator from Louisiana [Mr. LONG], occasioned by necessity.

I regret to announce that the Senator from Montana [Mr. WHEELER] is detained from the Senate on account of illness.

I ask that this announcement stand for the day.

Mr. HEBERT. I desire to announce that the Senator from West Virginia [Mr. HATFIELD] is necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

ONE HUNDREDTH ANNIVERSARY OF THE DEATH OF GENERAL LAFAYETTE—SPECIAL COMMITTEE

The VICE PRESIDENT. The Chair, under the authority of House Concurrent Resolution No. 26, appoints the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. ROBINSON], the Senator from Kentucky [Mr. BARKLEY], the Senator from Ohio [Mr. FESS], and the Senator from New Jersey [Mr. KEAN] as members on the part of the Senate of the special congressional committee to make appropriate arrangements for the commemoration of the one hundredth anniversary of the death of General Lafayette.

JOHN A. DONAHUE

As in executive session,

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States, to which he invites the attention of the Senator from Arkansas [Mr. ROBINSON].

The legislative clerk read as follows:

To the Senate:

In compliance with the request of the Senate of March 29, 1934, I return herewith the resolution of the Senate of February 20, 1934, advising and consenting to the appointment of John A. Donahue to be postmaster at Newburgh, N.Y.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, April 2, 1934.

Mr. ROBINSON of Arkansas. I move that the confirmation of the nomination be reconsidered, and that the message and nomination be referred to the Committee on Post Offices and Post Roads.

The motion was agreed to.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the petition of Local Union No. 6846, United Mine Workers of America, of Chicora, Pa., praying for the passage of Senate bill 2926, providing for the settlement of disputes between employers and employees and to establish a national labor board, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the Architectural Guild of America favoring the passage of legislation providing a 30-hour work week for industry and legislation providing for the settlement of disputes between employers and employees and to establish a national labor board, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the Manufacturers' Association of Lancaster, Pa., and a telegram from the Oil Well Supply Co., of Dallas, Tex., protesting against the passage of legislation providing for the settlement of disputes between employers and employees and to establish a national labor board, which were referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the Medical Round Table, of Chicago, Ill., favoring relief of physicians by setting up a system whereby their debtors may arrange long-term credits upon obligations discounted